



CITY OF CAPE TOWN
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CITY OF CAPE TOWN
HUMAN SETTLEMENTS STRATEGY
COUNCIL FINAL: MAY 2021

HUMAN SETTLEMENTS STRATEGY

COUNCIL, MAY 2021

Making progress possible. **Together.**

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ACRONYMS AND DEFINITIONS

BEPP	Built Environment Performance Plan	MATR	Municipal Asset Transfer Regulations
BNG	Breaking New Ground	MPBL	Municipal Planning By-law
BRT	Bus Rapid Transport	MURP	Mayoral Urban Regeneration Programme
CLP	Consolidated Land Pipeline	MSDF	Municipal Spatial Development Framework
CLDP	Catalytic Land Development Programme	NBR	National Building Regulations and Standards Act.
CRU	Community Residential Unit	ISUP	Informal Settlements Upgrading Programme
DAMS	Development Application Management System	LPG	Liquid Purified Gas
DMS	Development Management Scheme	ORP	Ownership Regularisation Programme
ECD	Early Childhood Development	ODA	Other Development Agencies
ECAMP	Economic Areas Management Performance	POS	Public Open Space
EEDBS	Enhanced Extended Discount Benefit Scheme	SANS	South African National Standards
EIA	Environmental Impact Assessment	SCOT	Spatial Costing Tool
EPHP	Enhanced People's Housing Process	SHI	Social Housing Institution
EPWP	Expanded Public Works Programme	SSRU	Small Scale Rental Units (also known as micro-developer units)
FLISP	Finance Linked Subsidy Programme	TIA	Transport Impact Assessment
HIA	Heritage Impact Assessment	TOD SF	Transit Orientated Development Strategic Framework
HNR	Housing Needs Register	UISP	Upgrading of Informal Settlements Pipeline
HSDG	Human Settlements Development Grant	USDG	Urban Settlements Development Grant
HSS	Human Settlements Strategy	WCPG	Western Cape Provincial Government
IDP	Integrated Development Plan	WCDHS	Western Cape Department of Human Settlements
IRDP	Integrated Residential Development Programme	WULA	Water Use License Application

Administration	Refers to the City of Cape Town. "City" is also utilised in this regard.
Affordability	Affordability is a function of context. The National Government determines that the GAP market (those households who should be targeted for affordable housing provision) refers to households earning less than R22 000pm. This Strategy recognises that nominal indicator whilst maintaining that affordability fluctuates dependent

	on the context in which housing is available; and that it would never be targeted at the highest earning income group of that context.
Backyarder	Refers to a person occupying a backyard residential unit under some type of rental agreement with the main homeowner or City tenant which may or may not include monetary payment for the right to occupy the unit, and may or may not be set out in a formal written agreement. The backyard unit is a structure constructed of any material, intended or used for human habitation, on the same residential property as a main dwelling, built according to: approved plans (formal) or no approved plans (informal backyard). and is therefore not categorised as an informal settlement.
Basic Services	Refers to basic municipal services, “a municipal service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety or the environment ¹ ”
Biodiversity:	The variability among living organisms from all sources including, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part and also includes diversity within species, between species, and of ecosystems.
Conditional Management Transfer Agreements and Action Plans	Agreements entered into, by the City, with housing estate management companies to support the transfer of CRU tenancy management services to third party providers.
Catalytic Land Development Programme	Programmes that enable integration of land-uses, income groups, densities, and transport options in order to catalyse the urban spatial form. They involve significant infrastructure investment which is intended to generate a diverse urban financing mix. An extensive definition of the CLDP is captured in the City’s BEPP.
De-densified	The clearing of housing structures from a site to allow for re-development with infrastructure provision and/ or housing construction.
Ecosystem services:	Where-by ecological processes or functions add monetary or non-monetary value to individuals or society at large. These are frequently classified as: (a) supporting services such as productivity or biodiversity maintenance; (b) provisioning services such as food or textiles; (c) regulating services such as climate regulation or carbon sequestration; and (d) cultural services such as tourism or spiritual and aesthetic appreciation.
Energy Poverty	In South Africa, refers to households that spend more than 10% of their income on energy. The percentage of household income spent on energy is only one of the indicators of energy poverty: it is also reflected in the quantum of energy consumption used by households for household needs such as lighting, cooking, space heating and communication. Energy costs constitute a relatively large share of a low-income household’s budget. Notwithstanding

¹ As defined in the Municipal Systems Act (No. 32 of 2000)

	the fact that low-income households receive a limited energy subsidy in the form of the Free Basic Energy (FBE) allocation monthly, many are stuck in energy poverty.
Environment:	The surroundings within which humans exist and that are made up of: (a) the land, water and atmosphere of the earth; (b) micro-organisms, plant and animal life; (c) any part or combination of (a) and (b) and the interrelationships among and between them; and (d) the physical, chemical, aesthetic and cultural properties and conditions of the foregoing that influence human health and well-being.
Formalisation	The process of complying with regulations and requirements that render a house as tradeable in the formal housing market.
Gap Market	Is made up of households who earn between R3501 and R22 000pm, and do not qualify for a full housing subsidy. However, these households are eligible to a range of partial housing subsidies and programmes.
Green infrastructure:	The natural and semi-natural open spaces, natural ecological and 'engineered' ecological systems, with other environmental features, that integrate with the built environment, to provide a wide range of ecological, community and infrastructure services. Green Infrastructure provides ecosystem services and is a continuum from naturally functioning systems to low impact urban design solutions for management of urbanisation impacts.
Greenlining	Refers to efforts made to push investment in a neighbourhood or precinct which has been previously disadvantaged.
Hostel Redevelopment Programme	Targeted upgrading of hostels into CRUs, with tenancy management services implemented by the City or a third party provider.
Housing Needs Register	The City's housing database that captures the need for housing as expressed by residents. It is a tool utilised for the selection of potential beneficiaries for state subsidised housing (BNG, CRU, Social Housing).
Human Settlements	The totality of human community - whether a city, town or a village - with social, material, organisational, spiritual and cultural elements that sustains it ² .
Informality	Refers to housing expansion which has not followed formal compliance steps such as building plan submission, obtaining zoning permission, adhering to building guidelines etc.
Inclusionary housing	Refers to local policies that tap the economic gains from rising real estate values to create affordable housing for lower income households. This can be through conditions that are imposed upon developers to include affordable units within a development, when developers access certain incentives.
Inclusive	Is a term intended to indicate an expansion of the actors that operate within a system, be that a market or a sector or an activity.

² As defined by the UN Habit

	Inclusivity intones that the more participants that are able to engage in the housing market (and its various sub-components), the greater the agency transferred to individuals and communities, and the higher the likelihood for long-term social sustainability.
Integrated Residential Development Programme	A National Government directed housing programme that allows for area wide settlement planning, a range of housing typologies, prices, and mixed use developments.
Low impact urban design	An integrated property design approach which mimics natural processes to address storm-water and environmental impacts often associated with conventional land developments.
Non-construction costs	Refer to expenses not related to building materials and the physical development of a formal dwelling.
Ownership Regularisation Programme	Programme designed to identify and put processes, plans, structures, policies and systems in place to address outstanding title-deed transfers in the City.
Permeable surfacing	Surfacing which allows water to pass through it or soak in and, in respect of boundary walls and fences, it means walls and fences that promote visibility and/or allows small wildlife to pass through.
Property Value Chain	City forum used to align property occupancy to service delivery and associated billing.
Resilience	Refers to the capacity of individuals, communities, institutions, businesses and systems in a city to survive, overcome, adapt and grow, despite chronic stresses and acute shocks that they experience.
Right-sizing	The process of finding an appropriately sized or located CRU to accommodate a tenant after their family circumstances have changed, and the City becomes aware of it.
Security of Tenure	Assurance that a person/ household is legally recognised in the property or land parcel on which they reside, and has a right to occupy the property or land.
Social Housing	Refers to rental housing constructed and managed by accredited Social Housing Institutions (SHIs) or Other Development Agents (ODAs) in terms of the Social Housing Act, 2008 (Act No. 16 of 2008)
Spatial Costing Tool	A cadastral instrument that determines the locational efficacy of a site based on its proximity to transport and employment opportunities.
Sustainable development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
Sustainable urban drainage systems (SUDS):	Drainage systems that are able to reduce the quantity and increase the quality of storm-water to combat the effects of urban development while providing the conditions for a healthy and stable ecosystem and increasing the amenity value of the urban environment. SUDS are considered a subset of green infrastructure.
Tree	A self-supporting woody plant with a stem diameter of larger than 10mm at breast height, which is higher than 3m if single stemmed and higher than 5m if multi-stemmed.

Urban Management	The collective oversight, by all actors, of urban spaces so as to enable effective and progressive improvement to the urban form/ a community driven approach to ensuring that the urban environment develops and performs at an optimum standard.
Well-located	Refers to land that is in close proximity to economic opportunities, transport nodes, and social facility support.

NATIONAL REGULATORY LANDSCAPE

Title	Summary
South Africa's Constitution	Section 26 guarantees all within the Republic the right of access to adequate housing, creating an obligation on government to take reasonable steps, within resource availability, towards progressive realisation of this right. Sections 24 (the right to an environment that is not harmful to health or well-being), 25 (the right to property), and 27 (the right to clean water) are other embedded rights which are taken into account when considering the regulatory landscape for providing adequate housing within Cape Town.
The Integrated Urban Development Framework	National Government's policy position to guide the future growth and management of urban areas.
The Interim Protection of Informal Land Rights Act (No. 31 of 1996)	Provides for the security of tenure in relation to those with informal rights to land.
The Housing Act (No. 107 of 1997)	This Act provides the legislative framework for the National government subsidised housing programmes and outlines a number of general principles applicable to housing development which includes giving priority to the needs of the poor and ensuring that development provides for a wide choice of tenure options and is sustainable.
Less Formal Township Establishment Act (No. 113 of 1991)	Was intended to provide for shortened procedures in the designation, provision and development of land specifically for the establishment of townships and less formal forms of residential settlement ³ .
The National Building Regulations and Building Standards Act (No. 103 of 1977)	Establishes uniform minimum standards for construction so as to ensure health, safety and dignity for residents.
The National Development Plan 2030	Aims to pursue certain housing and spatial transformation related outcomes, including sustainable human settlements, an improved quality of life, access to opportunities, and a responsive and efficient local government system. It also provides context for the various human settlements related Acts.

³ Western Cape Provincial Government, 2021

The National Housing Code	Sets the underlying policy principles, guidelines and norms and standards which apply to Government's various housing assistance programmes. Reiterates that municipalities must take all reasonable and necessary steps to ensure that the right to housing is progressively realised.
National Environmental Management Act (No. 107 of 1998) (NEMA)	NEMA is a framework Act and embraces resource conservation and exploitation, pollution control and waste management, and land use planning and development. It is underpinned by the globally accepted concept of sustainable development.
The Prevention of Illegal Eviction and Unlawful Occupation of Land Act (No. 19 of 1998)	Establishes procedural requirements that must be followed by the City and private landlords to evict a defaulting tenant or unlawful occupier.
The Rental Housing Act (No. 50 of 1999)	Enacted (as amended) to address and help the state realise the right to have access to adequate housing. It also defines the responsibility of government in respect of rental housing property and creates mechanisms to promote the provision of rental housing property.
The Sectional Title Act (No. 95 of 1986)	Provides for the division of buildings for ownership and the establishment of common property, and the various rules that should follow this determination.
The Social Housing Act (No. 16 of 2008)	Contains comprehensive principles and operational guidelines to regulate all SHIs/ODAs receiving public funds, in order to promote a sustainable social housing environment.
The Spatial Planning and Land Use Act (SPLUMA) (No. 16 of 2013)	Regulates spatial planning and land use management across all three spheres of government. Requires municipalities to embed principles of spatial justice, spatial sustainability, efficiency, spatial resilience, and good administration in spatial planning and land use management.

CITY OF CAPE TOWN REGULATORY LANDSCAPE

Allocations Policy: Housing Opportunities

Boundary Walls and Fences Policy

Climate Change Policy

draft Climate Change Strategy

Densification Policy

Development Charges Policy

District Spatial Plans

draft Inclusive Economic Growth Strategy

Environmental Strategy

Floodplain and River Corridor Management Policy

Grant-in-Aid Policy

Green Infrastructure Programme

Indigent Policy

Integrated Development Plan (IDP)

Investment Incentives Policy

Local Biodiversity Strategy and Action Plan

Management of Urban Stormwater impacts Policy

Municipal Planning By-law

Municipal Spatial Development Framework (MSDF)

Parks Development Policy

Resilience Strategy

Stormwater Management By-law

Tariff Policy

Transit Orientated Development Strategy

Tree Management Policy

Water Strategy

Urban Design Policy

Preamble

Cape Town finds itself in an unprecedented position. Shortly after absorbing the impacts of a sustained drought, its residents are being forced to navigate the crippling socio-economic uncertainty of COVID 19. Whilst this document was drafted prior to the onset of COVID 19, it has been reviewed to ensure that the economic imperatives and support systems initially outlined are consistent with the current social context. Within South Africa, the landscape of state-delivered subsidy housing appears to be changing. As per the public announcements by the Minister of Human Settlements, the BNG programme seems likely to be significantly curtailed, with greater emphasis placed upon informal settlement upgrading and support for incremental home-building by households who receive tenure security. Aside from deviating from the traditional funding conditions, this change in national policy would have an impact upon the spatial form of any city; reducing the number of high density buildings constructed by the government and requiring far reaching infrastructure networks to support single-dweller erven. The uncertainty of the future of the national housing programme does not detract from a central tenant of this document: that the need for affordable housing is vast and diverse, and that relying on government subsidised housing to meet this need is an unrealistic expectation.

The Human Settlements Strategy (HSS) is purposefully broad in attempting to draw boundaries around the housing system in Cape Town. It does this in order to afford the City the dexterity to deal with complexity: by shifting its resources, focusing on different roles within the sustainable delivery of housing, and prioritising specific interventions to fit a changing context. As such, the City is aware that it can't achieve all of the outlined interventions in the HSS at the same time. However, by understanding the system as a whole, the City is better able to transition between its roles of regulator, provider, and enabler to support affordable housing delivery. Aside from being a fully transversal understanding of housing delivery, this represents a pragmatic approach to human settlements; focusing on iteration and inclusion. It allows the City to support diverse typologies in high density areas (such as Social Housing Institutions and affordable housing delivered by the private sector) as well as service provision (iterative basic services and upgrading) where density is not achievable.

Importantly, the document emphasises the need to enable a more inclusive housing development industry so that economic development and widespread social wellbeing occur in tandem. Cape Town has a housing problem. It also has an income inequality problem. This document believes that these two elements are not exclusive, and that the road to resolving them requires addressing the issues as being part of the same system.

The HSS is the product of 20 month-long development process, which involved the coordination of a multi-disciplinary drafting team chaired by the City Manager. The drafting team reflected the work-stream leads for several work-groups who were charged with considering the thematic components of the Strategy. The work-groups comprised various City officials who gave input by generating position papers on the implementation challenges and opportunities existent within human settlements. What reflects within this document is a synthesis of the position papers, and their application to a City of Cape Town human settlements vision; extending beyond the functions of the City's Human Settlements Directorate, thus emphasising the transversal nature of this Strategy. The HSS underwent a 3-month public participation process which included workshops with a wide variety of stakeholders. All comments and submissions were considered in the amendments to the document; making for a more robust and inclusive HSS.

Whilst this Human Settlements Strategy explicitly supports the principles of density and greater land-use intensity within the urban environment, it does not make spatial determinations for the orientating of urban development as this level of detail will be captured within the various Sector Plans of City line departments responsible for the implementation of the Strategy, and will be guided by the spatial vision outlined in the District Spatial Development Frameworks. The Strategy is intended to be read alongside the tenets of the critical spatially informing documents of the City of Cape Town; the Municipal Spatial District Framework (MSDF), the Transit Orientated Development (TOD) Strategy, and the various District Spatial Development Frameworks (DSDFs).

This Strategy is supported by an implementation plan which outlines the prioritisation of human settlements interventions, the role-players involved, and the capacitation required to fulfil the commitments of the Strategy. The implementation plan will be reviewed on an on-going basis by the executive structure of the City administration.

Executive Summary

Cape Town's historic spatial exclusivity is, arguably, its greatest impediment to future sustainable and equitable development. Spatial patterns that have persisted from a time when the city was designed to separate racial groups and intentionally suppress the majority of the population continue to contribute to financial inequality and poverty. The implications for housing affordability have been significant. For residents who live far from social and economic opportunities, who have not benefited from widespread social services, and who are offered little opportunity to enter into the formal housing system, the cost of formal housing has simply outstripped their means. Escalating housing costs place increasing strain on all segments of the market as more participants turn from formal market mechanisms, broadening the footprint of informality and conversely tightening the noose of housing exclusivity for a shrinking population base. As such, Cape Town has developed a very tangible and socially limiting housing problem.

This Strategy recognises the extent of informal housing prevalent within Cape Town. It argues that this informality is partly due to market failure, whereby the cost to produce a house in well-located areas has outstripped the ability of a household to afford it, and due to the inability of the government's national housing programmes to adequately meet the widespread housing needs of low-income households. Other social and economic dynamics affect the rise of informal settlements, in a South African context, including the allure of economic opportunities that developing metropolitan areas hold; the more opportunities inherent within a city, the more likely informality will form a part of its makeup.

The Strategy determines to respond to affordability and informality; interpreting informality as a form of private sector response to the deficit of affordable formal housing provision. **The City has a role to play in recognising and supporting the need and desire of low-income households to build their own houses or provide housing opportunities for others.** The City's response to informality is detailed through approaches to

- inclusive design of informal settlements and emergency housing;
- the provision of basic service infrastructure;
- the recognition of informal building practices;
- the opportunities for supporting informal structure compliance and tenure.

The Scale of the Housing Crisis in Cape Town

Currently, **over 270 000 households are living in informal dwellings** in Cape Town.

By 2028 it is estimated that over 500 000 households will require additional housing. These households are in different housing circumstances (informal settlements, backyard rental, hostels or overcrowded conditions), or are new households that will require assistance by 2028.

This amounts to an annual requirement for an estimated **50 000 housing opportunities for the next 8 - 10 years** in order to address the backlog and accommodate new households.

Currently, the public and private sector together **are developing less than 20 000 formal new dwellings on average per year and providing 5 500 new serviced sites on average per year.**

This means that for the next 10 years there will be a **shortfall in the development of formal housing opportunities of approximately 30 000 every year**, assuming the average annual rate of supply by both the private and public sectors is unchanged.

More extensive informality, strain upon infrastructural networks, and operational instability are the predicted consequences of a 'do-nothing approach'.

(data are drawn from the City's General Household survey, 2017)

Working with notions of informality is part of the Strategy's priority to **provide safer and healthier housing opportunities** for those living in inadequate housing. Greater recognition and support is important to ensure these housing opportunities are developed in a manner that encourages community engagement, enables community participation in the re-design of informal settlements, and safeguards the health and safety of the occupants so that public and private investments yield as much value as possible. The social and economic inclusion of these spaces within the broader city environment through the development of integrated and sustainable human settlements is key to the City.

This Strategy extends beyond a state response to informal housing, alone, by considering the role of all market participants in driving the development of more and better houses to meet the demand of all households in Cape Town. The Strategy unpacks how the City will also **leverage its roles and functions to enable and incentivise the formal property market to develop affordable housing that is safe, diverse and well-located**. It aims to **support the development of housing opportunities by all actors in the housing market** – from the public sector to large scale property development companies to households seeking to develop an additional dwelling on their property. In so doing, the City acknowledges that the human settlements environment is a complex system that requires a multitude of housing typologies, delivered by a variety of actors working with an inclusive and responsive regulatory environment, in order to meet the demand for better housing in Cape Town.

Formal property market performance is constrained by availability of land, infrastructure services, financing and the costs associated with the regulatory environment. The Strategy addresses how the City can work to reduce those barriers that exist within its ambit and change the rules of the game to incentivise the private sector to develop housing opportunities at greater scale and diversity, in order to meet the needs of low-income households.

Similarly, the Strategy reflects upon the City's own formal housing delivery program to support affordable housing options across the metro.

Within Cape Town, **housing developments contribute actively toward economic growth**. Equally, distortions within the housing market inhibit the potential of a local economy to expand. For example, a lack of low income and affordable accommodation for labourers, skilled workers and professionals limits economic participation (heterogeneous consumer options) and growth and increases the cost of living (increased travel time and cost, lack of access to goods). Conversely, an active construction sector supports increased housing opportunities, reducing the cost of homes whilst absorbing large portions of a labour market (whilst also ensuring related upstream and downstream activities). The economic interaction between housing supply and demand across all income groups is crucial to enabling inclusive housing markets.

The Strategy is called a Human Settlements Strategy because it determines that a house is more than the sum of its parts. Amongst others, the utility of a home is influenced by its location, by the investment in the area around it, and by the community which influences the social dynamics of a neighbourhood. Therefore, the Strategy considers **how housing assets should be recognised as valuable social, economic and financial assets**, and how households can be supported to **leverage the value of their housing asset for economic participation and growth**. The Strategy sets out how an inclusive regulatory environment and approach to tenure recognition can assist households in realising the value of their housing assets by being able to formally transact upon them.

The human settlements environment is as important as the individual house in providing safe and healthy living conditions for residents. The HSS directs the City to work with local communities to manage public infrastructure and public spaces to support functioning human settlements that safeguard the prosperity of all who live in them.

The surrounding natural environment can, equally, contribute to the social and economic benefits of a housing investment, including through the cost-effective stormwater management, reduction in urban heat island effects, mitigation of - and adaptation to - impacts of natural disasters and extreme weather events. Therefore, the HSS considers how housing assets should be recognised as valuable social, economic and financial assets that interface positively with the surrounding environment. For this reason, the HSS seeks to incorporate principles, approaches and responses to climate change, resource efficiency, green infrastructure, resilience, and environmental management in order to address Cape Town's housing crisis.

This Strategy will outline how the City of Cape Town will provide, regulate and enable housing to achieve the following **seven objectives**:

- Objective One: Human settlements that provides residents with **healthy and safe living conditions**;
- Objective Two: Human settlements that are **more affordable, accessible, diverse, and responsive to the needs of residents**;
- Objective Three: Human settlements that offer residents the **opportunity to realise the full value of their homes as a social, financial and economic asset**;
- Objective Four: Human settlements that **catalyse spatial transformation** by achieving density and **improving access to economic and social opportunities for all**;
- Objective Five: Human settlements that support the creation **of sustainable, dignified, and integrated human settlements**;
- Objective Six: Human settlements that drive economic opportunities through an **active residential construction sector**;
- "Objective Seven: **Human settlements that incorporate principles and approaches related to climate change**, resource efficiency, green infrastructure, resilience, and environmental management, in order to improve living conditions and environments for housing recipients.

The Strategy determines that the City's ability to influence human settlements is based on three primary roles; as a provider (of state subsidised housing), as enabler (of urban upgrading that convenes a wide variety of actors), and as a regulator (of the built environment).

As such, and by addressing the strategic levers that exist within its ambit, the Strategy articulates how the City of Cape Town will:

- Provide scaled-up subsidised housing opportunities;
- Enable the building of integrated human settlements;

- Support the scaling up of affordable housing development within all sectors of the market by re-considering its regulatory influence upon the housing market.

Target households for this Strategy:

The primary target for this Human Settlements Strategy are households earning less than R22 000 per month who are either currently living in inadequate dwelling conditions or are new households. However, affordability varies within different housing contexts; the needs of residents may vary depending on their housing typology, location and proximity to services. This HSS recognises that the relationship between residents and affordability will change along with amendments to housing conditions and access to services. Furthermore, housing markets are inter-connected; what happens in one end will affect the other. The City wishes to support housing markets that meet the needs of all who participate within it. Therefore, the principles of this Human Settlements Strategy are applicable to households of all income earning levels.

As the Human Settlements Strategy assumes a long-term focus, it requires a supporting structure that articulates the short-term interventions that enable the vision for future human settlements in Cape Town. This structure is provided in the form of a **Human Settlements Implementation Plan**⁴, which addresses prioritisation of project interventions, role-players and assigned responsibility, and the extent of capacity building required to realise the desired outcomes of the specific intervention. The Human Settlements Implementation Plan will be approved by the City's Executive Management Team, its role-out and performance will be overseen by the various Portfolio Committee structures of Council, and the programmatic interventions will be driven by a transversal project management committee.

⁴ The Human Settlements Implementation Plan is not provided within this document but will be made available via Council structures in the future.

The housing numbers expressed below are the result of the consolidation of internal research conducted by the City in 2018⁵. Some have been updated to reflect the most recent values that we could find, whilst others maintain their 2018 vantage point. The socio-economic implications of COVID 19 suggest further informality and lower levels of affordability in time to come. We need to acknowledge that statistics capture a moment in time and that we cannot assume our knowledge to be complete. Therefore, despite vagaries potentially existing with the numbers, they represent a quantum of need that we must work toward addressing. They are part of a narrative which indicates an extensive housing crisis. Updating of the numbers does not alter the Strategy's intent of drastically increasing the supply of affordable housing provision.

Chapter One: Cape Town's Housing Context

1.1 The Housing Numbers

Cape Town experienced rapid urbanisation between 1996⁶ and 2016⁷; a population increase of 56% yielded a 94% increase in the number of households over this 20 year period.

Cape Town 2020 Population: 4 604 986⁸

Average Household Size: 3.2⁹

No. of Households: approximately 1.44 million¹⁰

Households living in informal dwellings: roughly 270 000

Roughly 60% - 65%¹¹ of all informal dwellings are located within informal settlements, with the balance being located in backyards. 18% of Cape Town's households indicated they were living in a BNG (RDP) or state subsidised dwelling, in 2018¹².

Residents living in informal settlements are overwhelmingly subjected to spatial exclusion whereby their homes are far from economic and social opportunities; significantly raising the cost of living for the urban poor.

Housing Need: 344 084¹³ applicants are reflected as 'awaiting a housing opportunity' on the City's Housing Needs Register¹⁴.

Definitions (Statistics South Africa):

A **formal dwelling** is a structure built according to approved building plans.

An **informal dwelling** is defined as a makeshift structure, not erected according to approved architectural plans, typically built with found materials (corrugated iron, cardboard, plastic, etc.). Informal dwellings are also referred to as a shack or shanty.

A **backyard dwelling** is any dwelling on the same surveyed residential property as the main dwelling. Can be formal or informal.

An **informal settlement** is an unplanned settlement on land that has not been surveyed or proclaimed as residential, consisting mainly of informal dwellings.

A **household** is a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

⁵ All data provided by Research Branch, Policy and Strategy Department, City of Cape Town, using Statistics South Africa (Stats SA) data unless otherwise specified.

⁶ Stats SA Census, 1996

⁷ Stats SA Community Survey, 2016

⁸ Stats SA Mid-year population estimate, 2020

⁹ Stats SA Community Survey, 2016

¹⁰ Approximate estimate based on 2020 mid-year population estimate data using average household size as calculated from the 2016 Community Survey

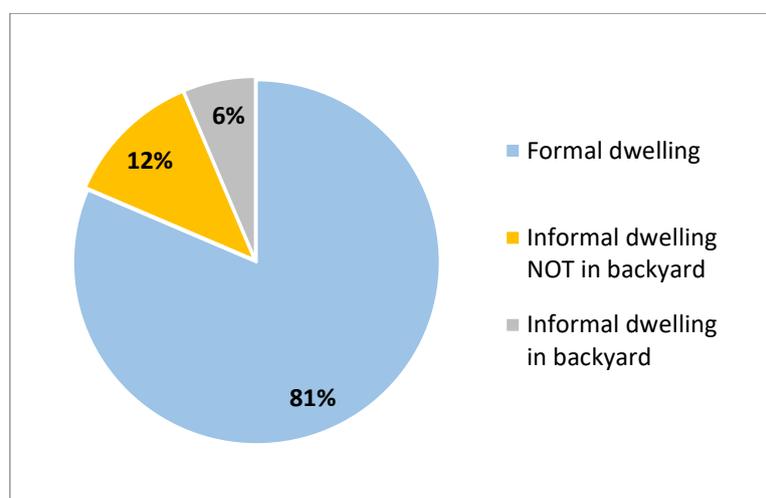
¹¹ Stats SA Community Survey, 2016

¹² Stats SA General Household Survey, 2018

¹³ City of Cape Town, Human Settlements Directorate, 2021

¹⁴ This figure is a reflection of people coming forward to express their housing need and does not necessarily qualify them for a state subsidised housing opportunity

Figure 1: Estimated households living in formal and informal dwellings in Cape Town in 2020¹⁵



Basic Service Access

Access to basic services by households living in informal dwellings located in a backyard is significantly higher than that of an informal dwelling not in a backyard.

Figure 2: Access to basic services by households living in informal dwellings in Cape Town, in 2018

Basic Service Access ¹⁶	Informal dwelling in backyard	Informal dwelling NOT in backyard
 Access to Piped Water in dwelling or in yard	96%	10%
 Access to flush toilet on public sewage system in their dwelling or yard	91%	6%
 Access to flush toilet on public sewage system but not on property	3%	29%
 Refuse Removal by local authority at least once a week	96%	19%
 Access to Electricity ¹⁷	99%	89%

¹⁵ Approximate estimate based on 2020 Mid-year population estimate and using 2016 Community Survey data, data do not add up to 100% due to rounding

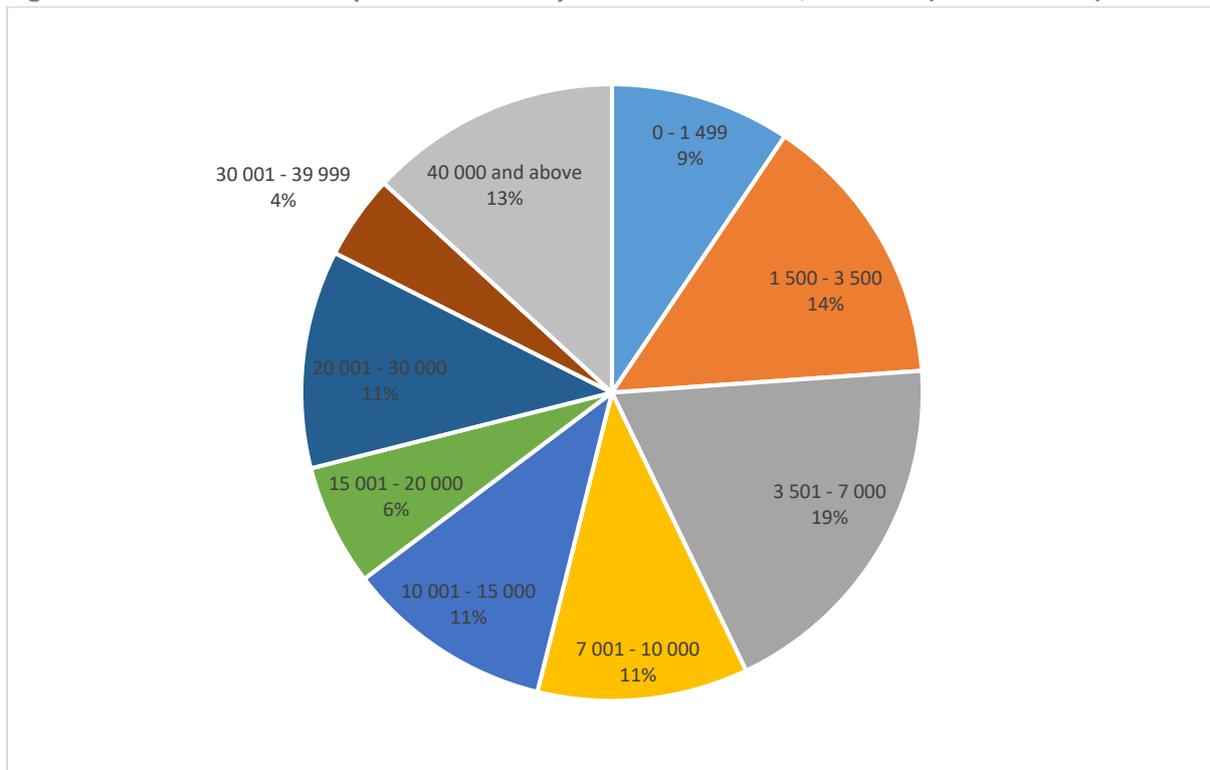
¹⁶ Stats SA, General Household Survey 2017

¹⁷ Note that a household that uses electricity does not necessarily have to be connected to the MAINS electricity supply.

Household Income

Households in Cape Town fall into different income categories. On average, over the four-year period from 2015 to 2018, 54% of households in Cape Town had an income of R10 000 or less per month and 17% had a monthly income between R10 001 and R20 000; **equating to 71% of Cape Town residents earning R20 000 and under, per month.** At the other end of the spectrum, **13% of households had an income of R40 000 and above, per month.**

Figure 3¹⁸: Distribution of Cape Town monthly household income, in Rands (2015 to 2018)¹⁹



Housing Affordability

An entry level formal dwelling provided by the formal Cape Town property market, in 2018, **cost between R400 000 and R500 000**

- Assuming that households wanting to purchase an entry level home would cover 90-100% of this cost through housing finance;
- And assuming that housing finance would be accessible to the level whereby monthly repayments did not exceed 25% of household income (predicated upon a 11.5% interest rate over 20 years).

¹⁸ Stats SA, General Household Survey, 2015, 2016 and 2017.

¹⁹ Assumption that those households indicating an 'Unknown' income were split evenly among the various income groups.

It was estimated that a household would require a minimum **gross income of R20 000 a month** to raise the financing necessary to purchase an entry level formal dwelling (assuming that the household does not have other housing or other assets that they sell to raise capital).

From 2015 to 2018, on average, over 70% of households in Cape Town earned R20 000 and less per month²⁰ which means that they would not be able to access the formal housing finance necessary to access an entry level dwelling for ownership via the formal housing market.

In 2021, in a post-COVID context, an entry level house cost between R500 000 and R600 000, with the prime lending rate having decreased to 7%. This would require a minimum gross income of R15 500 a month to raise the necessary financing. This decrease in the household income levels that are able to afford an entry level house is based on the decreased interest rate. However it is important to note that we do not yet have a comprehensive picture of post-COVID income levels, and it can be assumed that the economic impact of this has resulted in increased unemployment, leading to decreased household incomes. These factors contribute to new levels of unpredictability within the housing market that make affordability very difficult to measure.

As will be shown, below, the current supply of housing opportunities by the **private and public sectors only accounts for between 47% and 52%** of the estimated average annual housing need.

Informality is filling the formal supply gap. Between 1996 and 2016, households living in informal settlements increased by almost 40%, increasing from 103 460 in 1996 to 145 293, and in informal backyards dwellings by 256%, from 21 780 in 1996 to 77 630 in 2016²¹.

According to the Centre of Affordable Housing Finance in Africa, who analyse properties formally registered on the deeds registry, Cape Town has a property market that is skewed towards the luxury market at 41% of all properties. In comparison, the entry and affordable markets together make up 37% of all properties – the lowest proportion out of all Metro municipalities.

Figure 4: Proportion and number of properties by market segment, 2019²²

Metro	Entry Market R0 - R300 000	Affordable Market R300 000 – R600 000	Conventional Market R600 000 – R900 000	High-end Market R900 000 – R1.2 million	Luxury Market R1.2 million plus
City of Cape Town	19% (142 759)	18% (139 306)	13% (98 786)	10% (72 939)	41% (313 485)
City of Johannesburg	14%	27%	19%	10%	29%

²⁰ Stats SA, General Household Survey, 2015, 2016 and 2017

²¹ Stats SA, Census, 1996 and Community Survey, 2016

²² This utilizes title deeds data, and covers transactions that have a bond on properties which appear on the deeds registry. Source: <http://housingfinanceafrica.org/documents/citymark-south-africa-eight-metro-municipalities-deeds-data-dashboard/>

	(113 325)	(220 228)	(150 737)	(83 966)	(237 412)
City of Tshwane	26%	21%	16%	11%	26%
	(146 741)	(119 821)	(91 948)	(64 393)	(151 928)
eThekweni	20%	26%	22%	12%	20%
	(91 425)	(120 505)	(100 691)	(55 001)	(94 259)
Ekurhuleni	21%	34%	16%	12%	17%
	(125 471)	(204 315)	(96 740)	(68 761)	(99 096)
Buffalo City	32%	32%	13%	8%	14%
	(41 595)	(41 865)	(17 153)	(10 943)	(18 344)
Nelson Mandela Bay	45%	22%	13%	9%	11%
	(106 790)	(53 454)	(31 107)	(21 573)	(26 257)
Mangaung	57%	14%	11%	6%	11%
	(99 024)	(25 199)	(19 712)	(10 619)	(19 413)

Considering the income trends mentioned above, prior to the 2020 interest rates decrease, only 28% of households (>R20 000 monthly household income) in Cape Town could afford to purchase a property of around R550 000. Given that the luxury market in Cape Town had the highest proportion of products (41%), these trends indicate a more exclusionary property market in Cape Town than in other cities in South Africa, and suggest that there is an affordability crisis at multiple income thresholds in the city. This reflects an underlying land cost that is significantly more prohibitive when it comes to increasing the City's affordable housing supply.

Housing Supply

Over the five years, from 2013/14 to 2017/18, 101 693 new housing opportunities were provided in Cape Town, with 49 945 being provided by the private sector and the balance by the City of Cape Town and the Western Cape Provincial Government (WCPG). This is an average of 20 328 new housing opportunities per year²³.

²³ On average, the public and private sector together are developing 14 883 formal new dwellings per year and providing 4 909 new serviced sites per year.

Figure 5: New housing opportunities provided in Cape Town, 2013/14 to 2017/18

Year	Private Sector Housing ²⁴	Dwellings provided by City of Cape Town ²⁵	Serviced Sites provided by City of Cape Town ²⁶	Dwellings provided by WCPG ²⁷	Serviced Sites provided by WCPG ²⁸	Total
2013/14	9 406	3 647	5 718	352	0	19123
2014/15	8 317	3 372	3 822	942	1 761	18416
2015/16	9 583	3 293	2 261	1217	815	17905
2016/17	12 319	4 839	1 189	1199	1817	22667
2017/18	10 320	3 712	4 349	1896	2810	23582
Total	49 945	18 863	17 339	5606	7203	101 693

There is a shortfall in the development of housing opportunities of between 22 970 and 27 980 every year, assuming the average annual rate of supply of dwellings and serviced sites, by both the private and public sectors, is unchanged. Addressing this extensive shortfall requires a re-imagining of the manner in which formal housing opportunities are made available to residents.

Cape Town 10-year demand projections²⁹

2028 Population Projections: Cape Town's population will rise to just short of 5 million people - almost 800 000 people more than what was projected for 2018³⁰.

2028 Estimated Households: Two scenarios were developed in estimating the number of households in Cape Town, in 2028, based on the population projections³¹. In 'scenario ONE', it was assumed that the average household size will remain at 3.2³² and the estimated number of new households will be 249 167, by 2028. In 'scenario TWO', it was assumed that the average household size will continue to decline³³ and will be 3.1 by 2028, and the estimated number of new households will be 299 235.

2028 Housing Demand Projections: By 2028, the total demand for housing will range between 479 200 and 529 300 housing opportunities, taking into account new household growth and households currently living in informal dwellings (the current housing backlog). This translates to a total of between **47 920 and 52 930 housing opportunities required per annum** to meet the housing demand (which includes the current housing backlog). This analysis is supported by the current Land-Use Management modelling, which was undertaken in 2020 and looks solely at future dwelling unit

²⁴ City of Cape Town, Spatial Planning and Environment Directorate, 2019

²⁵ City of Cape Town Annual Reports

²⁶ City of Cape Town Annual Reports

²⁷ Western Cape Government, Department of Human Settlements

²⁸ Western Cape Government, Department of Human Settlements

²⁹ This section outlining the demand projections was developed by the City of Cape Town, in 2018, in a paper entitled "Estimating the demand and supply of formal housing in Cape Town". Whilst this forecast is based on 2018 projections it is consistent with the current Land-Use Management modelling undertaken in 2020.

³⁰ City of Cape Town, Population Projections, 2018.

³¹ These scenarios were developed by the City of Cape Town, in 2018, in a paper entitled "Estimating the demand and supply of formal housing in Cape Town". Whilst this forecast is based on 2018 projections it is consistent with the current Land-Use Management modelling undertaken in 2020.

³² The average household size at the time of the 2016 Community Survey.

³³ The average household size has declined from 3.5 in 2011 to 3.2 in 2016.

growth. The modelling projects a growth of 29 904 dwelling units on average per annum from 2020 to 2029. Notably, the bulk of this future dwelling unit growth is expected to be informal.

By 2028 the total demand for housing by new households (thus, not assuming any housing backlog) will range between 249 167 and 299 235, which translates into total of between 24 917 and 29 924 housing opportunities required per annum for the next 10 years.

To address the current backlog of households currently living in informal dwellings, a total of roughly 23 000 new housing opportunities will be required each year to address demand by 2028.

The below, **Figure 6**, estimates the number of housing units required within each income category to meet the housing demand over the next ten years. It also indicates the available government subsidy programme which has traditionally supported households within the applicable income earning category. The demand for homes across the income spectrum is vast, with the majority being households who earn less than R3 500 per month. However, it is worth noting that a significant portion of households who earn between R3500 and R22 000 per month will require new housing opportunities in the next ten years. Outside of the Finance Linked Subsidy Programme (FLISP), these households receive very little government support for home purchases.

The HSS posits that, given the current level of demand and state capacity to build supply, it is not possible that the various government housing subsidy programmes can satisfy the housing demand, on their own. The HSS believes that incentives must be created to enable the delivery of affordable homes by the private sector in order to avert Cape Town’s housing crisis.

Figure 6: Future Housing Opportunity supply needed per income category in Cape Town – 2019 to 2028³⁴

Household Income (monthly)	Ownership	Rental	Average Total Number of housing opportunities needed each year to 2028	Average Number of housing opportunities needed for new households each year to 2028	Average Number of housing opportunities needed for existing informal households each year to 2028 ³⁵
0 - R1 500	Breaking New Ground (BNG)	Community Residential Units ³⁶	5 869 to 6 384	2 563 to 3 078	3 305

³⁴ This section, outlining the supply requirements, was developed by the City, in 2018, in a paper entitled “Estimating the demand and supply of formal housing in Cape Town”. The numbers represent an approximation.

³⁵ The UISP accommodates for all income earners living in informal settlements though it is not strictly categorized as ‘rental’ or ‘ownership’.

³⁶ Once the draft Allocations Policy: Housing Opportunities (2021) is approved by Council, applicants earning up to R15 000 per month will be able to access CRU housing (though surcharges will apply for those earning above R3500).

R1 500 - R3 500	GAP Market (FLISP subsidy)	Social Housing (managed by SHIs)	10 392 to 11 134	3 692 to 4 433	6 701
R3 501 - R10 000			20 937 to 22 516	7 857 to 9 435	13 081
R10 001 – R15 000	Private Rentals		5 336 to 6 166	4 128 to 4 957	1 209
R15 001 - R22 000			7 382 to 8 724	6 678 to 8 019	705
>R22 000	Private Sale				

It's important to note that the figures within the sections on housing demand and supply are presented under the caveat of intending to provide an indication of the quantum of housing need in Cape Town. Assumptions around household size, future demand, and the historical supply period have been made as a forecast of potential demand. Whilst these figures provide a strong indication of the housing opportunities that must be supplied in order to meet the growing demand over the decade, they are open to correction.

The contribution of housing to Cape Town's economy

Quantifying the extent of the economic value contributed by both the formal and informal housing sectors toward Cape Town's economy is not a simple exercise. For one, housing galvanises a wide diversity of actors, represented across the value chain; from architects to developers, to brick burners and cement producers, from data analysts to site surveyors, estate agents, builders, and interior decorators; the number of stakeholder inputs that contribute to the functionality of a housing system as well as the extent of activities that result from housing related activity is incredibly vast. Secondly, a significant quantum of government grants intended to augment housing supply enter into the system, annually. The degree to which this adds value or crowds-out the private sector construction spending would need to be unpacked in more detailed economic analysis.

The impact of housing upon a city's economic performance generally arises from two activities: the construction, maintenance and improvement of dwellings; and the activities associated with the

occupation of housing³⁷. The Centre for Affordable Housing Finance in Africa (CAHF) was able to estimate that across South Africa, in 2017, formal and informal contractors produced new housing units (plus additions, alternations, and maintenance) valued at R84.9 billion by purchasing intermediate inputs valued at R45.6 billion and adding value to those purchases amounting to R39.3 billion.

The market value of the gross value added (GVA) of housing construction contributed 0.8% of South Africa's total GDP in 2017. Roughly 497 000 people were employed in housing construction during this year; of which 433 000 were informally employed and around 64 000 were formally employed³⁸.

By drawing correlations between spend in real estate and rental housing, the CAHF calculates that the combined housing construction and housing rental economic value chains equated to gross value added of R92.1 billion, in this same year.

Whilst we do not know the extent of the economic value chains for housing construction and real estate in Cape Town, the construction industry's GVA contribution to the economy was R10 215 million in 2019 (3.54% of total GVA in Cape Town). It also contributed 2.46% of the total growth in GVA between 2009 and 2019 and 8,21% of total employment growth during this period. Roughly 101 743 people were employed in the construction sector in 2019; 6,85% of total employment in the Cape Town. While this represents a significant contribution to employment in the city, it potentially under-estimates the indirect employment creating impact that the sector has on other upstream and downstream economic activities, including in the real estate sector³⁹.

The real estate sector, in 2019, supported 10 172 jobs and contributed R35 935 million (or 12,46%) to Cape Town's GVA in 2019. The sector also contributed 17,86% to GVA growth in the city between 2009 and 2019. Employment within the sector grew marginally, by 0,1% over this period⁴⁰.

Both industries contributed more strongly to economic growth over time than output at any given point in time; meaning that they grew faster than the average rate for industries in Cape Town.

The above figures denote formal market activity and does not even begin to unpack the extent of activity occurring at scale within unregulated housing activity. Increased population growth is anticipated to have a significant impact on both the construction and real estate sectors as well as associated downstream and upstream industries. However, ensuring that this economic activity is formally captured, requires that the City incentivise formalisation within the housing supply process. In order to enable inclusive economic growth, the City must consider the economic imperative of an expanded provision of low income and affordable housing in Cape Town.

³⁷ CAHF, "The estimated contribution of housing construction and residential rental activities to the South African economy in 2017", 2019.

³⁸ CAHF, "The estimated contribution of housing construction and residential rental activities to the South African economy in 2017", 2019.

³⁹ Economic Research Unit, City of Cape Town.

⁴⁰ Economic Research Unit, City of Cape Town.

Figure 7: Target households for this HSS:

The primary target for this Human Settlements Strategy are households earning less than R22 000 per month who are either currently living in inadequate dwelling conditions or are new households. However, affordability varies within different housing contexts; the needs of residents may vary depending on their housing typology, location and proximity to services. This Strategy recognises that the relationship between residents and affordability will change along with amendments to housing conditions and access to services. Furthermore, housing markets are inter-connected; what happens in one end will affect the other. The City wishes to support housing markets that meet the needs of all who participate within it. Therefore, the principles of this Human Settlements Strategy are applicable to households of all income earning levels.

1.2 Cost Drivers and Constraints of formal housing developments

The below, **Figure 8**, acknowledges the producers of formal housing opportunity within Cape Town, the typology of the housing opportunity, and the non-construction cost drivers which influence the scale at which housing is produced.

Figure 8: Cost drivers and constraints for housing producers

Housing producers in Cape Town	Types of development	Cost drivers & constraints
Development agencies	Mixed typology of units for ownership and rental (at varying income levels)	Land availability Finance Bulk infrastructure Application processing time Land-use regulation Finance Information
Private households/ Micro-developers	Additional dwelling units/ backyard structures	Land-use regulation Finance Cost of extra bulk Application processing time Confusion around submission compliance requirements
Social Housing Institutions	Affordable rental housing units	Land Finance Bulk Infrastructure Regulation authorisation & Regulatory Framework Application Processing time Information Operational costs
City/ WCPG	BNG developments	Land Bulk infrastructure & internal connection services Title deeds processing Information/ data/ Housing Needs Register/ beneficiary administration Community dynamics Regulatory framework

City/ WCPG	Informal settlements upgrading	Land Bulk infrastructure Regulation authorisation Human resources Information/ data/ Housing Needs Register/ community facilitation
City	City Rental Housing Stock/ Hostels	Maintenance backlog Funding Non-payment of rent Strained bulk infrastructure Human resources Social ills

Escalating constraints on these producers reduces the number of formal housing opportunities within Cape Town; resulting in a formal housing deficit unable to meet the demand for housing. Informality is filling this gap. As a consequence, a number of households need to be retrofitted with access to basic services (at heightened cost) or obtain access to services through illegal connections; placing strain on existing infrastructure and adversely affecting the health and safety of residents.

Informality is often associated with illegality, criminality, degradation of environmental health, unregulated and unpoliced business activity. These same challenges are equally capable of affecting urban nodes that are fitted with formal housing. Informal settlements have also presented a number of positive urban externalities; greater housing density, greater neighbourhood connectivity, accessibility to urban opportunities and services for marginalised communities, resilience, and opportunities for economic participation.

As informality is unlikely to be eradicated in fast urbanising, economically productive cities, the City is of the view that better urban management of informal settlements spaces, that promotes integrated, climate resilient and sustainable human settlements, will decrease the negative externalities of urbanisation (crime, congestion, exposure to climate and environmental hazards, pollution of terrestrial and aquatic ecosystems and contagion/public health problems) and leverage the existence of positive ones (productivity, connectivity, innovation).

In aiming to overturn the cost drivers and constraints of housing provision, the City recognises that the human settlements environment is a complex system. It requires the delivery of a multitude of housing typologies by a variety of actors working with an inclusive and responsive regulatory environment in order to meet the demand for better housing in Cape Town. Adapting to this system requires:

- ensuring that informal settlements achieve their basic service levels and that the services are incrementally expanded;
- incentivising compliance with housing regulations and infrastructural provisions in a manner that adapts to the needs of communities;
- that development processes are inclusive, that technical advisory assistance is on hand from the City, and that processing times are reduced to a minimum;
- that City owned well-located land and properties are utilised as a lever for the development of affordable housing, and are utilised as a catalyst for affordable housing development by a number of housing providers;

- that community participation is strong and that communication channels with the state are continuous and operational;
- that sound urban management of human settlement spaces exists;
- that, where possible, human settlements are environmentally sensitive and low impact, climate resilient, and balance the protection of the City's green infrastructure;
- that other strategies for social and economic inclusion of these communities are employed;
- and that a shared responsibility to the functionality of the urban environment is adopted.

1.3 The influence of the national and local regulation upon housing provision

This section of the HSS briefly outlines the significant pieces of legislation that enforce regulation within the housing sector. It considers the City's own Municipal Planning By-law (MPBL) and the Development Management Scheme (DMS), which apply in Cape Town and are subject to the City's amendment. The MPBL represents legislation created under the powers of the Constitution given the municipal competence for development management. The National Building Regulations and Standards Act (No. 103 of 1977) is set at a national level but is independent from the MPBL, as a result of this competence. The influence of the Less Formal Township Act (LEFTEA) upon the regulatory landscape is also considered.

MPBL: In 2015, the City council approved the Municipal Planning By-law (MPBL) in order to give effect to the Constitutional competence described, above. The MPBL outlines the planning processes that all physical developments must adhere to when undergoing development planning and implementation. For housing developers, it represents the 'rules of the game' within Cape Town. Penalties are applied to developers who operate outside of the prescripts of the MBPL, including financial and legal actions. On the flipside, adhering to the rules of the MPBL enables housing developers to operate within the formal housing system which brings with it certain benefits such as accessing credit finance, the opportunity to operate a formal business from the property, or formally sell the property asset consistent with a concordant increase in property value.

DMS: Included within the schedules of the MPBL is the City's Development Management Scheme (DMS). The DMS ascribes the various zoning conditions of all land units within the metro, thereby activating the prescriptions of the MPBL. Each land parcel in the metro has a zoning. The DMS contains the land-uses and development rules permitted for all zonings i.e. the purpose for which land may be used. Furthermore, the DMS articulates definitions, interpretations, general provisions, and overlay zones that might be applicable to land parcels.

NBR: The National Building Regulations and Standards Act (No. 103 of 1977) (NBR) is established at a national level. It states that no building may be constructed without an approved building plan. It determines the materials that are permitted to be utilised in the safe construction of an approved building. Where the City is able to track illegal building work, the City serves notice on the property owner of the unauthorised building and providing them with an opportunity to rectify the errant building work through the submission of a building plan. Building plans are assessed and approved in terms of the NBR (if in compliance). The City, thus, does not determine the stipulations of a safe or sustainable structure but instead administers that which is contained within the NBR.

LEFTEA: The Less Formal Township Establishment Act (No. 113 of 1991), commonly referred to as LEFTEA, was promulgated with the intention of rapidly relieving the housing backlog by utilising

procedural development management channels. One such channel was to permit the development of less formal areas. Unless determined with the administration of the 'development', LEFTEA exempt household from provisions of certain listed Acts; such as the submission of building plans for housing structures, as per the NBR. Despite LEFTEAs repeal on 1 July 2015, the retrospective implementation of housing regulation within former LEFTEA areas is challenging. The City is undertaking a programme of work to integrate former LEFTEA areas with existent municipal regulations in order to support the development of sustainable housing assets.

In areas of high informality, where unauthorised building work occurs without the submission of building plans, the City is unable to validate the safety of structures that are erected. However, as detailed in the preceding chapters, the City wishes to support iterative upgrading of structures such that they might meet some levels of compliance and regularisation in the future. To this end, the HSS supports the creation of best practice building standards for informal structures.

The City is, furthermore, seeking to obtain exemption from the NBR so as to draft a Municipal Planning Building By-law which would create legislation that is more contextual for areas of informality; and that would support a more inclusive consideration of a formal structure.

1.4 Spatial framing for Integrated Human Settlements

Spatial Development Frameworks

The HSS does not specify **where** integrated human settlements should be developed across the City, as this is guided by the City's spatial planning frameworks - the Municipal Spatial Development Framework (MSDF) and the District Spatial Development Frameworks (DSDFs).

The Spatial Planning and Land Use Management Act (SPLUMA) requires that spatial plans and land use management schemes give effect to the following principles: spatial justice, spatial sustainability, efficiency, spatial resilience, and good administration. On the basis of the above principles, the City of Cape Town's MSDF and DSDFs provide policy guidance for future growth and development of the City – including which areas should be prioritised for various types of residential development. The underlying goal of the City's various spatial planning policy documents, is to promote inward growth through densification and intensification of the urban form and provide policy direction for land use decisions regarding the location, nature and form of development. While the MSDF sets the high level spatial planning policy approach, the District Spatial Development Frameworks localise this to provide specific development guidance for all areas of the City.

The implications of these spatial planning policies on residential development is to prioritise well-located, high density, affordable housing, as well as to prevent urban sprawl through ever expanding low density developments on the outskirts of the City. Integration in terms of mixed-income and mixed-use developments is also a key policy goal. In-fill development is supported, while full access to urban services and iterative urban upgrading are promoted. A key implication for the City's human settlements delivery is to shift away from largescale housing developments occurring on the outskirts of the municipality, far from transport access and economic opportunities.

At a district level, guidance is provided on appropriate residential densities, which areas will be prioritised for development, and where affordable housing is most appropriate (specifically in well-located areas close to economic opportunities and public transport). Importantly, this policy guidance

is given based on the SPLUMA principles as outlined above. The revised DSDFs are in the process of public participation, which also includes an Implementation Plan. The primary objective of this plan is to provide guidance in terms of prioritised public investment, local area and precinct planning priorities and enablement mechanisms required to implement the proposals contained in the District Spatial Development Framework (DSDF) and sub-district DSDF. This will assist in creating an enabling environment for human settlements development in the City.

Using the City's spatial planning documents as the key informants for planning integrated human settlements ensures that there is alignment with the overall City growth vision. The Human Settlements Directorate's project pipeline is informed by the spatial planning guidance, and this also allows for alignment on bulk infrastructure planning to give effect to this. The City's newly established Sector Planning process and draft Infrastructure Strategy give effect to the integration of project planning prioritisation and bulk infrastructure provision.

Alignment with Public Transport Networks:

Public transport networks are a key informant to both the spatial planning policies of the City as well as the location and typology of housing that is developed. The City aims to locate high-density affordable housing close to public transport networks, and in areas of economic opportunity. However, in the current economic environment where there is uncertainty around the investment timelines of key public transport infrastructure, like the rail and BRT networks, this adds a challenge to long term planning for human settlements, and affordable housing.

Alignment with the National Policy environment:

National Human Settlements Policy has a significant impact on the location of government-subsidised human settlements. The National Housing Code provides strict guidelines on what can be developed, which has had the effect of impacting on the City's spatial form. For instance, the guidelines associated with the development of low density BNG housing, is cheaper and faster to implement on large, unencumbered parcels of land further from well-located areas of the City. The National Housing Code requirements mean that Social Housing remains the only viable housing programme that allows for high density well-located affordable housing in the City – enabling the City to align with spatial planning policy goals. These policy and grant-funding requirements remain challenging to give effect to well-located affordable housing. Changes to national policy that will focus on low density site and service developments are likely to further impact the spatial form of the City.

The Priority Human Settlements and Housing Development Areas (PHSHDAs) were promulgated by the National Minister of Human Settlements, Water and Sanitation, on 15 May 2020. The objective of the PHSHDAs is to promote Settlement Spatial Transformation and Consolidation by ensuring that the delivery of housing is used to restructure and revitalise towns and cities, strengthen the livelihood prospects of households and overcome apartheid spatial patterns by fostering integrated urban forms. The identification of PHSHDAs is aimed at aligning a national housing programmes that are being implemented in a municipality to enhance human settlements location and investments resulting in spatial transformation with particular focus on in-situ upgrading of informal settlements, new developments, social housing restructuring zones and spatial consolidation in existing areas. As a result, going forward, the National Department of Human Settlements will direct capital investment to these areas in the attempt to create integrated human settlements.

The National Department of Human Settlements has identified and gazetted the following PSHDAs within the City of Cape Town: Atlantis, Blaauwberg Development Area (Erf 1117, Blaauwberg), Hout Bay, Blue Downs Integration Zone, Voortrekker Road Corridor and Khayelitsha Corridor as well as areas detailed, below:

Figure 9: Gazetted PSHDAs within the City of Cape Town

Gazetted PSHDA	Main Places	Wards	Comments
Atlantis SEZ	Atlantis Industrial, Wesfleur, Sherwood, Saxonsea, Saxonwood, Avondale, Witsand, Protea Park, Robinvale, Beaconhill, City of Cape Town Rural	29, 32	It has been retained because of envisaged increased industrial activity in the Atlantis SEZ and housing for the employees may be required.
Blaauwberg Development Area	Blaauwbergstrand, Milnerton, Parklands, Rivergate, City of Cape Town Rural	23, 104, 107, 113	Extended to include areas of Du Noon and Joe Slovo rather than concentrating on Erf 1117, Blaauwbergstrand that is state owned. However, development in this area should take into cognisance the Koeberg Nuclear Plant and effective execution of the Koeberg Nuclear Evacuation Emergency Plan.
Blue Downs Integration Zone	Bellville, Blackheath, Blue Downs, Cape Town, Delft, Eerste River, Gaylee, Hagley, Kleinvlei, Kuils River, Matroosfontein, Mfuleni, Parow, Rustdal, City of Cape Town Rural	8, 11, 12, 13, 14, 16, 17, 19, 20, 22, 24, 106, 108, 114	This is a new area that has been included based on proposals from the City taking into cognisance the rollout of the Blue Downs Rail Link, Provincial Housing Projects and the envisaged MyCiti rollout in the Blue Downs Area
Cape Town Voortrekker Road Corridor	Bellville, Brackenfell, Cape Town, Epping Garden Village, Goodwood, Kuils River, Loumar, Montague Gardens, Parow, Pinelands, Thornton	2, 3, 9, 10, 12, 22, 26, 27, 30, 53, 55, 56, 115	This is an important growth corridor in the City that both the National Department of Human Settlements and the City agreed upon.
Hout Bay / Imizamo Yethu	Constantia (Glen Alpine, Witteboomen) Hout Bay (Hout Bay Harbour, Hout Bay Heights, Hangberg, Northshore, Beach Estate, Imizamo Yethu, Tierboskloof, Oakwood Village Estate),	62, 74	This has been extended to include established townships in the valley of Hout Bay rather than concentrating in the Imizamo Yethu Informal Settlement.
Khayelitsha Corridor	Cape Town, Crossroads, Epping Industrial, Guguletu, Khayelitsha, Langa, Mandalay, Matroosfontein, Mitchells Plain, Nyanga, Philippi, Pinelands, Roggebaai, Schaap Kraal, Sherwood Park, Vredehoek, Vukuzenzele, Weltevreden Valley	18, 24, 28, 30, 31, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 48, 49, 50, 51, 52, 53, 57, 58, 60, 75, 76, 77, 78, 79, 80, 81, 82, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 115, 116	This is an important Metro South East Corridor in the City that both the National Department of Human Settlements and the City have agreed upon.

1.5 Strategic Approach

The City of Cape Town has three important roles within human settlements development

1. **Provider:** Using available resources effectively and efficiently to provide as many subsidised housing opportunities as possible, which are well-located, integrated, and of good quality. These housing opportunities include ownership and rental opportunities.
2. **Enabler:** Facilitating sustainable urban environments by considering the manner in which urban management⁴¹ and urban design should inform urban development; both within informal settlement upgrades and formal building development, as well as promoting agency amongst residents, civil society partners, and communities to enable co-created urban solutions.
3. **Regulator:** Regulating the basis by which housing development occurs within Cape Town to ensure healthy and safe human settlements, whilst also reducing the barriers which prevent the production of housing at the required scale and cost to meet demand.

This strategy will outline how the City of Cape Town will provide, enable and regulate housing to achieve the following **seven objectives**:

- Objective One: Human settlements that provides residents with **healthy and safe living conditions**
- Objective Two: Human settlements that are **more accessible, diverse, and responsive to the needs of residents.**
- Objective Three: Human settlements that offer occupants the **opportunity to realise the full value of their homes as a social, financial and economic asset.**
- Objective Four: Human settlements that **catalyse spatial transformation** by achieving density and **improving access to economic and social opportunities for all.**
- Objective Five: Human settlements that supports the creation **of sustainable, dignified, and integrated settlements.**
- Objective Six: Human settlements that drive economic opportunity through an **active housing construction sector.**
- Objective Seven: Human settlements that **incorporates principles related to climate change, resource efficiency, green infrastructure, and resilience**, in order to improve living conditions for housing recipients through low-cost and no-cost interventions.

By considering the housing market as a whole, the City is shifting the nature of its processes to **support and encourage formal market activity at all levels of income bands.** The City wants to recognise the inherent willingness of households to invest in their homes and that of the community around them;

⁴¹ The City has established a new directorate named 'Urban Management' (previously named Area Based Service Delivery). Whilst areas of overlap exist, the manner in which urban management is used within this Strategy is distinct from the mandate of the directorate.

to create healthy, sustainable, and valuable human settlements. Achieving the six objectives will enable the attainment of the following desired outcome:

The Human Settlement Strategy Desired Outcome:

A functional and accessible housing market which is able to produce a diversity of safe, valued, affordable, accessible and well-located accommodation choices – which meets the demands of all Cape Town’s residents.

1.6 Strategic Shifts

The Human Settlements Strategy presents **seven strategic shifts** within the City administration necessary to achieve its desired outcome:

1. Reduce the barriers within the City’s ambit to delivery more quality, affordable housing opportunities by all actors;
2. View housing provision as an inclusive process upheld by a number of actors and stakeholders;
3. Acknowledge the importance of location and density for supporting integrated and sustainable human settlements;
4. Recognise the necessary balance of rental and ownership to meet affordability demands;
5. Build municipal compliance regulations that are accessible and uphold the safety needs of occupants;
6. Incentivise the transformation and regularisation of informal dwellings into formal housing;
7. Target interventions that affect the human settlements system and not just the housing opportunity, itself.



These shifts demand an expanded Toolkit
 The City will **use all of its roles and functions** to support the development of housing opportunities by all actors in the housing market – to achieve housing delivery at scale and at affordable prices.

1.7 Foundational Principle:

The Human Settlements Strategy is underpinned by a single foundational principle which is supported by several sub-principles.

Foundational Principle: The City recognises the value of a house as a **social, economic, and financial** asset.

The distinction of the home as an ‘asset’ recognises the inherent economic dynamic within an individual house as well as the broader housing market, in general. However, its benefit is not limited to economics alone. The **value of a home** is made up of a **collection of characteristics**, some of which are recognised here:



In order to develop sustainable human settlements, the City must contribute to the home appreciating in value according to these three asset classes.

The City believes that directing its thinking toward actions which hold this principle in regard will result in positive outcomes which are felt across the levels of the individual, the community, and the market.

Sub Principles:

A number of propositions contribute toward the value of a house, and the enablement of dignified and sustainable human settlements (each being relatable to a combination of the Seven Objectives of the Strategy):

Well located: location matters in supporting social and economic well-being. The City’s intention for human settlements provision supports and prioritises well-located⁴² housing opportunities.

Accessible: entry into the housing market is made challenging due to factors specific to supply and demand. Barriers relative to supply pertain to costs (and the various forms in which costs manifest). Barriers relative to demand relate to the means to pay for housing.

The number of direct interventions, by the administration, at the level of both supply and demand so that housing is more accessible to all, is limited (the City is not a lending institution, and it cannot address the full extent of housing demand through its own provision, for example). However, by delivering housing that is efficient in its energy and water use, and is comfortable and healthy for the occupants, ongoing operational costs savings for occupants are introduced; resulting in increased value and negating the need for expensive future retrofits. Equally, the City is able to reduce the costs of housing producers and incentivise affordable housing delivery, thereby augmenting housing supply for those that make up the housing demand. Supporting the value of a home as an appreciating asset means interrogating our processes that reduce the cost of housing supply and increase affordability for the housing demand, so that housing is accessible to all residents.

Diverse: interventions that result in a housing market which enjoys either full ownership or full rental are undesirable and unrealistic. A housing market which is accessible requires a diversity of typology. The HSS supports a housing market which offers a range of housing options to suit the various needs of residents, balanced across the realms of tenure security, ownership, and rental.

Safe: at its most basic, a house is a shelter; one that is resilient to climatic elements, provides safety from social distresses, and structural integrity for the creation of a home. The certainty of safe housing is critical to the sustainability of human settlements and value creation within the house. This HSS seeks to support the creation of safe housing which provides healthy and safe living conditions for all.

⁴² “Well located” refers to housing that is in close proximity to economic opportunities, transport accessibility, and social facility support

Integrated: human settlements are intended to leverage diversity within the urban form. This is achieved by appropriately enabling mixed-use and mixed-income development (a mix of various residential options within, and tangential to, commercial nodes), optimising public investment for places of engagement and community interaction, and casting a wide net of social services offerings (including the installation of social service centres). This HSS determines that integrated and dignified human settlements are crucial to the sustainability of human settlements.

The human settlement environment is a dynamic one, stimulated by forces of supply and demand interacting across paradigms of formality. In order to better understand this environment and respond to it in a manner that supports the above sub-principles, the HSS proposes a number of pilot areas and requisite research and data projects. The emphasis upon piloting and more effective evidence gathering is a tenant of the City’s strategic approach toward supporting a functional and accessible housing market, to the betterment of all residents.

1.8 Objectives, sub-principles, and strategic shifts

Figure 10: the relationship between the objectives, sub-principles, and the strategic shifts

	7 Objectives	Sub-principles	7 Strategic Shifts
1	Housing that provides residents with healthy and safe living conditions.	Accessible, Safe	Build municipal compliance regulations that are accessible and uphold the safety needs of occupants.
2	Housing that is more accessible, diverse, and responsive to the needs of residents.	Accessible, Diverse, Integrated.	View housing provision as an inclusive process upheld by a number of actors and stakeholders. Recognise the necessary balance of rental and ownership to meet affordability demands.
3	Housing that offers occupants the opportunity to realise the full value of their homes as a social, financial and economic asset.	Accessible, Diverse, Integrated.	Reduce the barriers within the City’s ambit to deliver more quality, affordable housing opportunities by all actors.
4	Housing that catalyses spatial transformation and improves access to economic and social opportunities for all.	Well-located, Integrated.	Acknowledge the importance of location for supporting integrated and sustainable human settlements.
5	Housing that supports the creation of sustainable, dignified, and integrated human settlements.	Well-located, Safe, Integrated.	Target interventions that affect the human settlements system and not just the housing opportunity, itself.
6	Housing that drives economic opportunity through an active housing construction industry that is a creator of economic opportunities.	Well-located, Diverse, Integrated.	Incentivise the transformation and regularisation of informal dwellings into formal housing.
7	Housing that incorporates principles related to climate change, resource efficiency, green infrastructure, and resilience, in order to improve	Safe, Integrated	Target interventions that affect the human settlements system and not just the housing opportunity, itself.
	living conditions for housing recipients through low-cost and no-cost interventions.		

Interventions

Chapter Two: The City as a Provider of Human Settlements

The Chapter outlines the City’s role as “Provider”: Using available resources effectively and efficiently to provide as many subsidised housing opportunities as possible, which are well-located and of good quality. These housing opportunities include ownership and rental opportunities, and may be produced in various forms i.e. services sites, top-structures or multi-storey buildings.

State-led housing delivery can never meet the total demand for housing opportunities. The role of the state should be seen as addressing housing market failure to support the functioning of the human settlements system. The City’s role, here, is not only that of a developer, but also as a partner to the private sector, social housing institutions, and non-governmental organisations.

Chapter Two is arranged according to the City’s consideration of its land assets for human settlement delivery, and is preceded by its commitment to informal settlement upgrading, the public housing and BNG programmes.

Chapter Outline:

- 2.1 Consolidated Land Pipeline
- 2.2 Informal Settlements
 - A. Informal settlements upgrading
 - B. Emergency Housing
 - C. Unlawful Land Occupation
 - D. Standards for iterative informal settlements upgrading
 - E. Security of Tenure in informal settlements
 - F. Data Systems Mapping in informal settlements
- 2.3. Housing Needs Register
- 2.4. Government housing opportunities for ownership
 - A. BNG
 - B. EPHP
 - C. FLISP
- 2.5 Public Housing

City Roles and Responsibilities:

- Consolidate and consider all land holdings for human settlements delivery;
- Create a framework under which informal settlements upgrading might be applied, across various informal settlement contexts;
- Outline the approach to a holistic public housing programme;
- Outline the approach to BNG development and the EPHP;
- Confirm the selection of state housing beneficiaries via the Housing Needs Register;
- Establish improved IGR relationships with other spheres of government, to enable the resolution of key intergovernmental challenges, as well as to improve coordination around the development of integrated human settlements.

Public Roles and Responsibilities:

- The public are to work with the City's convention around informal settlement upgrading to support safe and incremental upgrading;
- Adhere to the City's public housing programme;
- Work alongside the City to deliver the BNG programme.

Private Sector Roles and Responsibilities:

- Engage with the informal settlement upgrading norms and standards;
- Engage with the PHP building opportunities within the BNG programme;
- Take up opportunities inherent within the public housing programme relating to management of public housing site

2.1 CONSOLIDATED LAND PIPELINE (CLP)

Problem Statement

Cape Town is one of the fastest growing metros in South Africa. Increasing urbanisation has placed a greater premium on land availability than before; for the public, for the private sector, and for the local government. Within this context, the City's land needs are to support human settlements development; land to supply infrastructure, basic services, community service centres, land for housing development and public open space, and land for future affiliated residential needs. These land requirements also need to take into account other sectors that are key to an integrated city – protection of biodiversity and environmental considerations, land for economic and job stimulating uses like commercial, industrial, and agricultural activities, while also considering land needed to enable future infrastructure development.

The City lacks a single spatial, land database representing multiple layers of land demand requirements, as identified above. This database should consider future land requirements, land available for development, as well as the various spatial planning policy goals in order to prioritise the development of City land. All land acquisitions and reservations which support human settlements development need to be filtered through this database. Consolidating the City's land acquisitions (as well as intended acquisitions) to provide shared oversight of project development (and intended development) will reduce land costs for the administration and ensure that project consolidation between departments happens at an earlier stage.

This tool can assist the City's newly established Sector Planning process as well as the draft Infrastructure Strategy by facilitating alignment between infrastructure planning and human settlements project implementation.

Having a Consolidated Land Pipeline (CLP) would assist in providing guidance on which City owned land parcels are strategically important to enable affordable housing development, and therefore should not be disposed of by the City for other uses. This would also align with the future projections of City growth (particularly the need for affordable housing) that would underpin the CLP.

2.1.1 Proposed Solutions

To address the problems referred to above, the City will develop a **Consolidated Land Pipeline (CLP)** to support human settlements planning and alignment to infrastructure planning. The objectives of the CLP are to:

- i. Critically evaluate the current practices of land acquisition and assembly within the administration and support greater planning integration within the administration;
- ii. Utilise the CLP to develop infill sites within well-located areas;
- iii. Utilise the CLP to determine the impact of land planning and project implementation upon the urban form;
- iv. Integrate human settlements planning by other entities into the CLP (such as the Western Cape Provincial Government Human Settlements Department, the Department of Environmental Affairs and Development Planning, the National Department of Human Settlements, the National Department of Public Works, State-owned Enterprises, NGOs and affordable housing developers). To this end, the CLP is a formidable tool to unlock pieces of land held by other government entities and should be utilised accordingly, and in a manner that supports transparent engagement;

- v. Publicly share selected components of the CLP to guide and enable private sector housing development decision making;
- vi. Use the framework of the CLP as the tool with which to implement a City of Cape Town Land Acquisition and Disposal Strategy, that is based on the DSDFs.

In order to achieve the objectives identified above, the following actions are required by the City:

Action 1: Establish a vacant land database (UPDLI - Undeveloped and Partially Developed Land Inventory).

- (a) Evaluate all vacant land parcels in the City – whether this be publicly owned (City, Province, SOEs, National Departments), or privately owned. This provides an indication of land availability to meet future demand, and indicate land ownership.
- (b) Evaluate all vacant land parcels acquired and reserved for the Human Settlements Directorate in order to determine the extent of current land availability for human settlement development within the City’s system;

Action 2: Establish a consolidated database of land planning acquisitions and reservations for the purposes of human settlements development, based on the above analysis, and while taking other land needs for other uses into account.

- (c) The database needs to be viewable in both spatial and tabular form;
- (d) The database needs to consider appropriate typology development, yield, and ideal density for each land parcel, and align to the various DSDFs;

Action 3: Develop a City-wide land assessment tool to evaluate vacant or underutilised land parcels using approved urban development policy:

- (e) This includes but is not limited to, Bio-net and other available urban monitoring tools are to be used to inform land acquisition decision making; in line with the City’s Integrated Development Plan (IDP), Transit Orientated Development Strategic Framework (TOD SF), and Municipal Spatial Development Framework (MSDF), in order to drive spatial transformation;
- (f) Development of criteria of land appropriateness for different housing typologies supplied by the City and its partners, including existing and approved spatial planning and urban design policy;
- (g) This should include the City’s Spatial Costing Tool (SCOT) at pre-feasibility.

2.2 INFORMAL SETTLEMENTS

A. INFORMAL SETTLEMENTS UPGRADING

Problem Statement

In order to create a standard of basic living conditions within informal settlements, the City seeks to intervene within the current physical layout of over-crowded settlements which have densified and expanded without any formal settlement planning. Settlements are primarily characterised by a lack of access to basic services (water, sanitation, electricity, and refuse removal), recreational or natural amenity spaces, and infrastructure (roads, storm-water systems, lighting). Residents occupy land

without ownership or title, in highly densified conditions with little personal space. A historical backlog of settlements requiring informal settlement upgrading exists. Some settlements have received temporary basic services whilst others are without any service or urban management access at all. Additionally, new informal settlements, bereft of basic services are created through unlawful land occupation.

In order for an informal settlement to be upgraded, certain conditions must be met. Primary among these is that the settlement is located on appropriate land; i.e. on City land, not in a road reserve or a wetland or under power-lines, and not within or alongside environmentally sensitive areas (such as areas containing critical biodiversity, or prone to flooding or wildfires). In instances where residents need to be 'de-densified'/ relocated to temporary sites whilst upgrading occurs; finding available adjacent land is often a problem.

Informal settlement upgrading requires land-use authorisation alongside the various other approvals (EIA, HIA, TIA, WULA). Only once these approvals are obtained can a settlement receive full basic service upgrading.

The creation of integrated human settlements requires the City to plan in a transversal manner, beyond the operations of individual departments. Opportunities provided through off-grid energy services, urban management services, social services, accessibility to economic opportunities through public transport linkages, zoning and the iterative development of business spaces within settlements need to be considered, as outlined in the Human Settlements Urban Management Framework (in Chapter 3 of the HSS). Iterative building regulation within informal settlements is very difficult to implement due to the declaration of many being within former LEFTEA areas; meaning that building plans or the prescripts of the NBR have never been required before. As a result, even though homes have developed as assets within informal settlements that have received full upgrading, transaction of housing assets within the formal market is challenged by a lack of applicable regulation.

Desired Outcomes

- i. The City is able to implement an iterative and scalable Upgrading of Informal Settlements Programme, so that all residents have access to basic services.
- ii. Basic services are incrementally installed and upgraded so that the City is able to progressively install basic service infrastructure, urban management and social services across existent informal settlements.
- iii. Communities are actively engaged in the design and implementation of upgrading projects.
- iv. The City wishes to support residents to incrementally upgrade their homes. To this end, the City wishes to publish guidelines which address safe upgrading techniques and resource efficient standards for informal or semi-formal structures.
- v. Informal settlement upgrading occurs in tandem with data collection and security of tenure distribution to beneficiaries of the full ISUP.
- vi. The City has an intelligent system of informal settlements mapping which is corroborated by the data inputs generated from informal settlement upgrading, and other viable data streams.
- vii. Informal settlements are integrated and included within the broader City urban fabric.

2.2.1 Proposed Solutions

Informal Settlements Upgrading Pipeline

The City must develop an Informal Settlements Upgrading Pipeline (ISUP) which supports the alignment of conditions that must be met in order for upgrading to take place. For full upgrading to take place, the conditions are:

- Land is owned by the City of Cape Town or, where this is not the case, permission is granted to the City of Cape Town to undertake upgrading;
- Land can be developed (Physical risk assessment & Age of settlement, environmental risk factors, e.g. fire and flood risks etc.);
- There is available land to support de—densification of the community;
- Land use rights have been achieved (EIA / WULA etc.);
- The affected community and the community leadership has expressed readiness for upgrading;
- Capital budget for the entire project cost has been attained;
- The supply chain management procurement process has been completed.

For partial upgrading or the provision of temporary services, conditions may vary.

The pipeline must establish a convention for informal settlement upgrading, and so will distinguish between historical informal settlements, new informal settlements, settlements without any basic service access, settlements with some service access, and settlements that have received full upgrading.

For settlements without any service access, the City will investigate the possibility of providing emergency relief basic services, which may include temporary water and sanitation sites, solid waste removal, off-grid energy or LPG supply, and green infrastructure analysis, subject to conditions being met. The standards for service upgrading are to be captured in City Systems and Procedures, outlining the roles and responsibilities of line departments toward the provision and maintenance of services.

For settlements with some service access, the City will investigate the possibility of providing iterative basic service upgrading by formally recognising the settlement and upgrading it as a formal township, where possible. Services may include shared or one-to-one services of permanent water connectivity and permanent sanitation, solid waste removal, individual electrification (either on-grid or off-grid), public lighting, access roads, storm-water management, and green infrastructure service analysis, subject to the conditions being met and where possible. As with the above, the standards for service upgrading are to be captured in City Systems and Procedures, outlining the roles and responsibilities of line departments toward the provision and maintenance of services.

For recognised settlements, the City will investigate the opportunities for iterative basic service upgrading as outlined in the Human Settlements Urban Management Framework (captured in Chapter 3 of the HSS), where possible.

The following updates need to be made to the pipeline to support scale-able implementation:

- (a) Greater staffing cohort within the department responsible for informal settlements to plan for and implement basic service upgrading;
- (b) Greater internal integration between informal settlements practitioners within the City, via a coordinated committee structure;
- (c) Proactive land planning for informal settlements upgrading (as per the CLP) as well as utilisation of the DMS to support incremental upgrading within informal settlements;
- (d) Proactive engagement with communities to anticipate future upgrading needs;
- (e) Deployment of 'settlement designers' to work with communities to achieve community-centric design and layout;
- (f) Signed MOU with community leadership to define responsibilities and outcomes;
- (g) Proactive planning to obtain respective land-use rights and various authorisations whilst upgrading projects are still in the pipeline 'queue';
- (h) Alignment between the Informal Settlements Upgrading Pipeline and the Informal Settlements Upgrading Grant.

B. EMERGENCY HOUSING

The City is responsible for providing emergency housing, resulting from several broad contexts⁴³:

- Homelessness that results from a declared state of disaster;
- Homelessness caused by extraordinary occurrences (such as floods, strong winds, severe rainstorms, hail, snow, devastating fires, earthquakes, sinkholes, or large industrial incidents);
- Residents living in dangerous conditions (such as land being prone to flooding);
- Residents living in the way of engineering services or proposed services (e.g. water, sewerage, power, roads, or railways, or in reserves established for any such purposes);
- Residents evicted or threatened with imminent eviction from land or from unsafe buildings, or situations where proactive steps ought to be taken to forestall such consequences;
- Residents whose homes are demolished or threatened with imminent demolition;
- Displacement as a result of a state of civil conflict or unrest;
- Residents living in conditions that pose immediate threats to life, health, and safety;
- Residents who are in a situation of exceptional housing need, which constitutes an emergency that can be reasonably addressed only by resettlement or other appropriate assistance.

Problem statement:

Within the context of Cape Town's housing needs and volatile housing security, this definition of an emergency proves to be extensive; placing wide-spread responsibilities of emergency housing

⁴³ As per the Emergency Housing Policy captured in the National Housing Code, 2009

provision upon the City – as with local government in general. This demand exerts strain upon the City’s managerial and funding resources – providing for all kinds of housing emergencies, including the provision of alternative accommodation in response to unlawful land occupation and urban evictions when instructed by the courts. This means that the local government is perennially the final respondent to housing need; regardless of the funding or land constraints, or existing housing pipelines. This outcome results in the City’s key service delivery staff regularly being constrained by court proceedings, as well as the diversion of City resources to respond to the need for emergency housing.

Rapid responses are required to enable emergency housing interventions. However, aside from the issue of identifying appropriate, tangential land for housing victims of emergency housing (when it is already challenging to do so for other housing projects), the City is regularly delayed by existing regulation. Legislative requirements for EIAs, TIAs, and land-use consent limit viable emergency housing sites and create administrative bottlenecks for dealing with very tangible crises.

Delivery of emergency housing is significantly constrained due to a lack of funding for emergency housing solutions. Unlike with all other government subsidised housing programmes, there is not a dedicated National Government funding instrument that the City is able to utilise to provide emergency housing (outside of instances of responding to disasters). Considering the high levels of illegal land occupation, as well as evictions taking place from private residences, there is a danger that a shrinking local government fiscus will have to divert resources away from planned human settlements projects and interventions, to responding to the need to provide alternative accommodation. While the legal requirement to do so is clear, the ability of the City to do so is, in reality, constrained by available human and financial resources. This means that, in practice, the City must balance its Constitutional requirement to progressively realise the right to housing through the provision of housing whilst ensuring compliance with the PIE Act, in terms of providing alternative accommodation. This dynamic takes place within a resource constrained environment exacerbated by the COVID-19 pandemic.

2.2.2 Proposed Solutions

Currently the City provides emergency housing via emergency-kits, which are distributed to residents of informal settlements following the occurrence of a natural disaster, as well as through its pilot Transitional Housing site. Furthermore, the City’s Municipal Planning By-law permits the rapid land-use declaration of an emergency so as to support immediate rebuilding following an emergency. In order to embed an emergency housing regime within the City, capable of responding to the vast contexts of emergency housing, the City will:

- (a) Undertake a research project into the history of evictions in Cape Town to better understand the extent of emergency housing required as a result of urban eviction. There-after, research is to be done on the number of emergency kits issued per annum as well as the various causes for distribution of kits.
- (b) The evidence drawn from this research is to inform the drafting of an Emergency Housing Framework, which must distinguish between the various types of emergency housing and articulate the City’s response to the different contexts there-of.
 - The Framework must also consider emergency housing required as a result of gender-based violence (GBV) and propose an appropriate solution to housing victims of GBV;

- The Framework must consider appropriate locations for emergency housing, ensuring that they are well-located in relation to the nature of the emergency;
- The Framework must reflect on the utilisation of planning instruments, such as the DMS, to enable rapid responses to various types of emergencies.

Figure 11: Transitional housing example

City innovation: Pickwick Transitional Housing project

The development of the first transitional housing project in the City of Cape Town was initiated in response to the need to resettle households who were living informally on a site that had been earmarked for social housing, in Pine Road Woodstock. This pilot project provided temporary formal rental accommodation for those households, in Pickwick Street – a few hundred metres away from Pine Road, where the households had been living. This meant that the households were not displaced to areas far from where they had resided, and were still able to benefit from being in a well-located neighbourhood where they were able to maintain their social support networks. The accommodation is made up of individual rooms for families, couples, for single households, and has shared ablution and kitchen facilities. The intent of the project is to assist those living there to transition into more permanent accommodation over time, thus freeing up space to house other households temporarily.

While this project was developed in order to ‘unblock’ a site earmarked for social housing development, transitional housing has been highlighted as a potential response to housing those who have been evicted, and are unable to find alternative accommodation.

Lessons learnt from this pilot project highlight two reasons why this is challenging to scale-up and replicate for evictees:

- 1) While the City received Provincial approval to utilise CRU funding for this initiative, this source of funding cannot be used for building housing for evictees, as per the National Housing Code. This means that the City has no reliable funding source to roll out this programme as a form of emergency housing;
- 2) Considering the socio-economic realities in the City, as well as the dearth of affordable housing targeted at the lowest income earners, transitional housing will struggle to be ‘transitional’ in nature, as there is simply not enough of a supply of housing for households to ‘transition’ to. This impacts of the sustainability of this housing model.

Monitoring and evaluation of the effectiveness of this model will be ongoing to ensure that the City is able to learn practical lessons on approaches to consider for the future.

C. UNLAWFUL LAND OCCUPATION

Problem Statement:

In the past few years, Cape Town (along with much of the country) has experienced a significant increase in unlawful land occupation. The reasons behind the unlawful land occupations are being investigated by the City but it appears that overwhelming density, issues of urban management, lack of available services in informal settlements, and more recently the economic impact of the COVID-19 pandemic, are only partly behind the spike in this activity.

2.2.3 Proposed Solutions:

(a) The City has drafted an Unlawful Land Occupation (ULO) Framework, as part of its commitment toward addressing emergency housing need, as well as mitigating future ULO. This framework outlines seven objectives, set as short and long-term interventions, for sustainably responding to unlawful land occupation:

- ST: Develop a response plan for when ULO activity takes place;
- ST: Support an organisation wide commitment toward ULO that harnesses the actions of multiple-directorates;

- ST: Identify and activate a wide-range of stakeholders external to the City to support efforts against ULO and enabling inter-governmental cooperation
- ST: establish more effective and embedded lines of communication between the City and the public, via the development of stakeholder plans;
- LT: Develop a pilot for a Managed Settlement Programme. This programme is a proactive response to informal development which commits installation of basic service infrastructure and, there-after, permits residents to build their own top structure on selected site;
- LT: Establish a City-wide framework for engaging the judiciary around ULO;
- LT: Establish a City-wide response to proactively safe-guarding land in ULO hotspots areas

D. STANDARDS FOR ITERATIVE INFORMAL SETTLEMENT UPGRADING:

Problem Statement:

Construction of structures within informal settlements occurs outside of the purview of the City's MPBL, and outside of the stipulations provided for within the NBR. The City is, thus, unable to certify the structures built within informal settlements. Whilst the HSS recognises the need for space and the desire for the iterative upgrading of homes, building materials used within highly densified informal settlements lend themselves to various hazards. These include:

- Rapid spread of hazardous fires;
- Unsafe building structures liable to collapse;
- Infrastructure failure as a result of over-extension;
- Urban creep brought upon by structures extending themselves onto public infrastructure like pavements and roads;
- Failure to maintain access routes for roads and bulk infrastructure.

Burgeoning informal settlement growth significantly increases the complexity of infrastructure planning and basic service installation within settlements, as retroactive installation of service infrastructure is more expensive than if planned upfront.

The HSS commits the City to embrace systems of informality within the housing sector. As such, the City's human settlements approach needs to engage and encourage residents to upgrade their homes in a manner which recognises best practice standards.

2.2.4 Proposed Solutions

Building materials are a function of supply chains and cost; thus, residents are always likely to prioritise materials which are easily accessible over those that offer the greatest level of durability or sustainability (such as brick and mortar solutions).

- (a) The City will initiate a research project which considers the means by which residents of informal settlements upgrade their homes. The project should consider building methods, building materials influenced by resource constraints, and building materials which support efficient use of energy, and fire risk mitigation.
- (b) The City is to pilot a Local Planning Support Office (LPSO) (outlined within Chapter 4 of the HSS) which focuses on informal settlements building support. The Informal Settlements LPSO is to develop best practice building guidelines which might be utilised within the upgrading of an informal dwelling. These guidelines will need to respond to existing context specific risks,

considering densities, environmental features, resilience toward shocks like fire and flooding, site layout, and available materials. The guidelines should represent community priorities and acknowledge resource priorities.

- (c) The informal settlement LPSO must consider fire risk reduction methods and offer residents advice on fire-proofing their homes.
- (d) In order to adapt to the effects of climate change, the City will seek to support the installation of smoke detectors, rainwater tanks, low-pressure solar water geysers, the use of insulation, appropriate material, and low-flow taps within informal settlements.
- (e) The City is not able to validate building work undertaken without an approved building plan. As such, liability cannot be created for either the informal settlement builder or the City. However, the City wishes to see best practice being utilised within private informal settlement construction so as to support safe and sustainable communities. Equally, committing to best practice within informal dwelling upgrading can act as an incentive to form part of the City's security of tenure programme.
- (f) The informal settlement LPSO must be part of the development of the City's security of tenure programme; so that security of tenure might be distributed via the LPSO in future. However, structures will have to commit to the City's identified standards in order to achieve security of tenure.

E. SECURITY OF TENURE WITHIN INFORMAL SETTLEMENTS:

Problem Statement

The City faces several problems in allocating Security of Tenure for residents within informal settlements:

- It is difficult to account for any transient residence within informal settlements;
- The high density of informal settlements makes cadastral allocation difficult to achieve;
- The City requires a standardised system of identifying residents;
- Tenure transfer traditionally involves transfer of land ownership. This is not possible when residents reside on City or privately held land;

2.2.5 Proposed Solutions

- (a) The City will develop a Security of Tenure system linked to a programme of action which aims to distribute tenure security.
- (b) The tenure system must utilise the provisions of the DMS to ensure that relevant zoning might support tenure allocation.
- (c) This tenure system will recognise the occupancy of the structure by the resident;
- (d) The Security of Tenure system should be piloted via the City's Managed Settlement Programme alongside the Upgrading of Informal Settlements Programme, for allocation of security of tenure after the installation of permanent basic service infrastructure.
- (e) For retro-active security of tenure, the City must investigate the functioning of the broader informal settlements system so as to elicit the support of actors who sit outside of its

administrative ambit and currently play a role in tenure identification (such as the current practice of using a police affidavit or NGO assistance to prove occupancy).

- (f) Recognition of occupancy must tie into the City's Housing Needs Register, such that residents enter into the database through their occupancy registration with the City.
- (g) Security of Tenure should be tied to tests for adherence to best practice building guidelines.

F. DATA SYSTEMS MAPPING IN INFORMAL SETTLEMENTS:

Problem Statement

Currently, the City doesn't have a function for monitoring data changes within informal settlements. This means that tracking settlement growth, understanding socio-economic contexts of residents within informal settlements, allocating security of tenure, and aligning housing demand to the Housing Needs Register is made highly challenging. Additionally, data generation within informal settlements needs to be supported by the spatial mapping of settlements; so that the City can better respond to service failure, changes in density, as well as align to other service offerings that provide a better understanding of informal settlements.

2.2.6 Proposed Solutions

To support data driven responses to on-going needs within informal settlements, the following actions are sought:

- (a) The City's Informal Settlements Department, with the support of the City's Data Coordinating Committee, is to design plans for the capturing of data regarding informal settlements.
- (b) The City must establish a governance model between the role players of spatial mapping, informal settlements upgrading, data capturing on the Housing Needs Register, and informal settlements record keeping that ensures the coordination of data relative to informal settlements. Data should be represented in both spatial and tabular formats to allow for interrogation by all parties.
- (c) Relevant data should be depicted in spatial form (so that the City can better respond to changes in density in informal settlements) and publically published annually in a publication that is available for public analysis – this will serve as the annual social contract / compact of the City in respect of the resourcing, intent and desired impact of the programme and interventions.
- (d) Data collection should be community focused, and align with other interventions that elevate the role of urban management within informal settlements. Data generation should occur through a number of mobile or easily accessible sources. The City must overcome community perceptions that it is seeking to enumerate residents for ulterior purposes. As such, significant focus must be given toward creating community sensitive solutions which empower residents and enable a level of trust between the administration and its residents. If the City is not best placed to drive this initiative, it should rely on partner organisations, NGOs, partnership frameworks, local actors, and the community themselves to drive data collection and verification.
- (e) A dynamic case and incident management information system is to be developed to act as this central repository. Data emanating from informal settlements should be utilised by supporting departments in planning their interventions within these urban spaces. As such, the data must be held in a central repository and be universally accessible.

- (f) Given the City's inherent (and imminent legal) obligation to safeguard the personal information of our residents and the potential sensitivity around openly sharing this data, requests for viewing or interrogation of the data would need to be considered on a case by case basis. The City must develop protocols for the sharing and/or publishing of data by the City and any other external party commissioned to undertake data capturing, taking cognisance of the Protection of Personal Information Act (No.4 of 2013).
- (g) In order to manage the repository of informal settlements data and support its dissemination, the City must establish staffing capacity to support the work of the department responsible for informal settlements; targeting GIS designers and spatial planners.
- (h) The allocated staff should be responsible for finding data alignment between City departments, particularly as it relates to service planning. Social service planning, spatial design planning, and infrastructure planning is dependent upon data emergent from informal settlements. Responsibility for this data function must be clearly allocated within the City's administrative structures; with intended deliverables attached to project preparation and capital budget allocation.
- (i) Transversal City teams will be set up to facilitate the informal settlement upgrading programme;
- (j) Urban management capabilities will be put in place to ensure the ongoing management of these spaces by the community and the City.

2.3 HOUSING NEEDS REGISTER

Problem Statement

In an urban environment where an extensive housing need exists and the state plays a significant role in the provision of affordable housing, a database is required to update the City as to the registered housing needs of residents, and as to the location of this need. The City has an existing housing database, originating in 1983, termed the Housing Needs Register (HNR), which reflects the housing need as expressed by residents through the process of registering on the database. Aside from tracking the quantum of registered resident housing need across the City, the Housing Needs Register is utilised as a selection tool to ensure the fair and transparent allocation of vacant rental housing units managed by the City as well as state subsidised housing opportunities created primarily via the Integrated Residential Development Programme. The City's Allocation Policy: Housing Opportunities (2021) governs and directs the way the City selects and allocates state-subsidised housing opportunities to qualifying beneficiaries who are registered on the City's Housing Needs Register. This is to ensure a fair and transparent housing allocation process within the metro. To achieve this primary objective, the policy sets out the criteria, processes, procedures and responsibilities that are related to the allocation of state-subsidised housing opportunities, based on regulations by National Government and the Western Cape Government's Human Settlements Policy Framework.

The Allocation Policy is premised on selection in terms of target areas, beneficiary quotas, and registration date ordering. This suggests that in order to be considered for a housing opportunity you need to be registered on the City's HNR. However, as the City relies on applicants to update their personal information on a regular basis, this database currently does not necessarily reflect the latest information on registered applicants which not only results in an inaccurate depiction of data, but also

amplifies the challenge of tracing applicants when their opportunity arises. In addition, there is a general misconception by the public that by registering a housing need, the applicant is guaranteed the provision of a state subsidised housing opportunity. Registered applicants on the Housing Needs Register are screened against the national housing subsidy qualification criteria at the time of selection to ensure that they are eligible for a state subsidised housing opportunity.

In reviewing the Allocations Policy (2021), it became apparent that, in its current form, the HNR does not function in a manner which optimally supports effective data management and human settlements project planning.

2.3.1 Proposed Solutions

In order to optimise the functionality of the HNR, the City has identified the following process for upgrading its performance over the short, medium and long term:

- (a) **Short term interventions:** focus on cleaning the current HNR data to enhance data integrity. Align the HNR functionality with the provisions of the Council approved revised Housing Allocation Policy: Housing Opportunities to allow for the prioritisation of the elderly (60 years and older) and persons with disabilities within each housing project. Additionally, spatially depict housing need as expressed by applicants to augment housing project planning especially beneficiary allocation rationalisation
- (b) **Medium term interventions:** ensure that the data is updated via an enhanced communication campaign which focuses on the responsibility of residents to routinely update information. Additionally, investigate the development of a sustainable updating tool in the form of a smart phone application alongside the utilisation of local housing offices as points of contact to update details. To augment the tracing of applicants with disabilities and those within the informal settlements with no formal address, inter-governmental partnerships will be explored with the Western Cape Department of Human Settlements (WCDHS) together with the Department of Social Development, aimed at encouraging and facilitating the registration of affected households or updating their records on the HNR.
- (c) **Long term interventions:** ensure holistic system enhancements which will enable direct linkages to the Housing Subsidy System, Home Affairs and the Deeds Registry to ensure that the HNR is utilised as a strategic tool to inform City housing development planning and to adequately track delivery and an applicant's journey throughout the housing provision life cycle.

2.4 GOVERNMENT PROVIDED FORMAL HOUSING OPPORTUNITIES FOR OWNERSHIP

A. BREAKING NEW GROUND (BNG)

The primary housing product that is implemented by the City as well as the WCDHS is a Breaking New Ground (BNG) house developed in terms of the National Housing Code: Integrated Residential Development Programme (IRDP). This housing typology is targeted at households who earn R3 500 per month and below and therefore allocated to qualifying beneficiaries registered on the City's Housing Needs Register, and in terms of the City's Allocation Policy: Housing Opportunities. BNG housing opportunities are funded by two national grant funding mechanisms, namely the Human Settlements Development Grant (HSDG) which is a capital grant towards to the development of the top-structure and the Urban Settlement Development Grant (USDG) which covers the cost of bulk

infrastructure and installation of serviced. As such, the BNG programme is administered according to rigid and standardised principles.

Problem Statement

1. National Grant Funding and policy framework

The National Department of Human Settlements is responsible for setting national policy (National Housing Code) and grant guidelines for human settlements projects. Equally, the National Government also determines the level of grant funding for various human settlements programmes. The National Housing Code has been amended over time and is currently undergoing review, following the National Minister of Human Settlement's pronouncement of the amended prioritisation of land release and serviced sites provision. Despite the pronouncement policy uncertainty remains with regard to the future of the BNG programme. What appears certain is that the overall national funding envelope has decreased, including allocation toward the Human Settlements Development Grant (HSDG). It is suggested that this indicates a shift away from the state provision of fully subsidised top structures.

2. Tendering:

The City is bound by tendering specifications set by the National Treasury and which are captured within its own Supply Chain Management Policy. Market dynamics within the construction sector have limited the number of viable tender applicants and, along with the tender specifications, have resulted in a local supply market which is made up of smaller and lessor experienced BNG programme developers. Rapid delivery of BNG homes is affected by a lack of long-term institutional developers.

3. Keeping to the BNG specifications:

BNG is land intensive; erven must be cut to a specific size and the housing typology doesn't allow for anything more than double storey, making density targeting a significant challenge. Consequently, well-located land for large scale BNG production is not readily available.

The BNG product (the size of housing opportunity and the funding quantum available for each individual unit) is set by National Government. This quantum is approximately R180 000 per unit; broken down into a R50 000 maximum for the site and services and R130 000 for the top structure. This quantum is not necessarily increased on an annual basis by the National Government, meaning that it does not keep up with inflationary costs of housing production. The City is regularly under pressure to produce a better product with limited funding and a fixed quantum.

The BNG programme does not incentivise reduced costs for the delivery of the housing product in order to support beautification upgrades to the surrounding neighbourhood⁴⁴. If any money is saved on the BNG product, the balance must be returned to the National Government.

4. Densified BNG products

The City is unable to produce a BNG product which is more densified than a double-storey. This is due to the restrictions enforced by the Sectional Title Act; the City is unable to transfer title to beneficiaries

⁴⁴ Ostensibly this is so that National Government can track the spending of money relative to the programme; accounting for each unit that is produced.

without certain conditions being met such as the establishment of Body Corporate structures and adherence to the various maintenance cost demands.

Furthermore, at this stage, high rise buildings are not viewed by local communities as being a poor product. Instead, given the maintenance obligations and requisite self-organisation, they are considered a niche product which addresses the need of a different income earning quintile.

5. Introducing sustainable alternative building technology

Much is made of the opportunity to introduce alternative building technology to the BNG product line. The City is constantly seeking means of innovating within its housing delivery programme. However, it must do so whilst bearing community dynamics and the conditions of the grant funding regime in mind. Communities regularly respond to the City in saying that they do not wish to be treated as test-cases in the receipt of housing products; the safety of the structure and façade must be irrefutable and widely utilised. This Strategy acknowledges that housing delivery must be seen as an inclusive process in order for human settlements to be sustainable.

6. Green technology

In 2017, Council adopted the first City of Cape Town Climate Change Policy which focuses on both climate change mitigation and adaptation measures. In 2019, the Climate Change Policy was reviewed and it was determined that the policy should be upgraded to a strategy in order to ensure that climate change is addressed and integrated at the highest level within the organisation. This draft strategy therefore builds on the commitments of the 2017 Climate Change Policy and includes new commitments and a more ambitious programme of action. In addition, the City of Cape Town is a member of C40 which is a global climate change leadership network aimed at promoting climate change response action at the local government level. Stemming from this global network is the C40's Deadline 2020 programme which aims to put cities on track to meet the goals of the Paris Agreement and achieve carbon neutrality and climate resilience by 2050. The carbon neutrality component of the Deadline 2020 commitment includes a parallel commitment supported by its own program which the City joined in 2018, named the C40 South Africa New Buildings Programme. The strategic objective of this programme is to accelerate the development and implementation of transformational energy efficiency policies and programmes, thus working towards zero carbon performance, for new buildings in South African cities.

In terms of the development of state subsidised housing, strict adherence must be given to not only the National Building Regulations, but also the minimum norms and standards as promulgated by the National Minister of Human Settlements. As mentioned previously, the BNG programme does not incentivise reduced costs for the delivery of the housing product and as such the latter standards states that under no circumstances may saving be utilised to increase the house size or to enhance the standard specifications of the house beyond what is specified.

7. Well-located land

The City utilises the prescripts of its MSDF to identify well-located land parcels for human settlements development. However, large parcels of land able to deliver highly scalable housing supply are not readily available within the urban inner core of the metro (with a few notable exceptions that belong to the National Government; Wingfield, District Six etc.).

8. Intergovernmental relations (IGR)

Intergovernmental relations are vital, as the various spheres of government are required to work together to realise a vision for human settlements in Cape Town. Although relationships have been fostered with various spheres of governments and government departments, there is room for improvement.

Within the human settlements sector, IGR is key for the efficient distribution of grant funding. USDG funding is distributed directly to the City by the National Department of Human Settlements. All other funding streams relative to human settlements are filtered via the WCDHS. The funding regime has a significant influence on the relationship between the City and the Provincial Government. In turn, the Provincial Government maintains a relationship with the National Government in the development of human settlements policy, implementation, and reporting. The City requires consistent messaging from which to engage the other spheres of government so that outstanding issues can be systematically addressed and overcome.

The WCDHS is a key stakeholder with respect to the development of government provided formal housing opportunities. As such the City permits Provincial Government access to its USDG allocation in order to give effect to the state's mandate of housing provision.

2.4.1 Proposed Solutions

Tendering:

- (a) The City has conducted necessary reviews its Contract Management Framework to support continuous project implementation. Any significant amendments to tendering specifications by the National Treasury should precipitate a review of the Contract Management Framework from a BNG implementation perspective.

BNG Specifications & Well-located Land:

- (b) The City's BNG implementation programme will plan for density, therefore attempting to maximise on the housing offering on each parcel of land identified for human settlements development while still taking into consideration the City's Bioregional Plans, thus conserving Critical Biodiversity Areas (CBAs) and Critical Ecological Support Areas (CESAs).
- (c) Any BNG top structure that the City provides must be at least double-storey or semi-detached constructions for maximum densification.

In addition to large and historical greenfields project pipeline, focus will be given toward infill project delivery; targeting unutilised parcels (such as old school sites), the consolidation of multiple sites, and underutilised greenfield sites. Infill housing development might not necessarily achieve housing at scale, but it ensures housing development within established neighbourhoods and provides access to existing socio-economics amenities, thus creating suitable integrated human settlements. The Consolidated Land Pipeline (CLP) will be utilised to inform this endeavour, and to leverage the intended developments of other housing suppliers.

Alternative Building Technology:

- (d) The City will establish pilot projects which iteratively introduce modular housing solutions as viable alternative building design. Initial focus should be upon the City's asset stock such as multi-use social facilities as well as upon those structures provided via emergency housing supply.

- (e) Potential linkages exist between the City's Investment Incentives Policy and the heightened production of modular housing manufacturing. Should the pilot projects surrounding modular buildings prove beneficial, these linkages must be explored; with requisite changes made to the Investment Incentives Policy to support a healthy supply chain of modular building technology.

Green technology:

- (f) Green Procurement Action Plan (Outcome 9) comes from the Environmental Strategy, and is one of the contributions towards the green economy. Green procurement should be utilised when the City constructs buildings, but potentially there could be a transversal focus on advocating for greener technology and alternative buildings materials. Due to the limitations of human settlements conditions grants such as the USDG and HSDG, alternative interventions should be explored. As such assistance could be provided from the City's Environmental Management Department in order to package human settlements projects to benefit from the Green Climate Fund for top-up funding for green technology.
- (g) Currently BNG housing construction is done in accordance with the National Building Regulations including SANS 10400 Part X (Environmental sustainability) SANS 10400 Part XA (Energy usage in buildings). In addition to this, the City will explore ancillary climate conscious technology by expanding on current initiatives and seeking partnerships with relevant stakeholders to achieve this desired outcome.

IGR/ National Grant Funding and policy framework:

- (h) The greater the supply of housing opportunities, the greater the opportunity for addressing the housing market failure in Cape Town. As such, the City supports the additional housing supply developed by the WCDHS and will continue to seek ways to strengthen collaborative project planning within the City.
- (i) In specific relation to human settlements, the City will continue to seek alignment between its own strategic goals and products and that of the Provincial and National Government. Furthermore, the City advocates for National and Provincial government to be more responsive to the implementation realities experienced by the City, and work collaboratively to adjust policy and grant frameworks to support innovation that increases the sustainable delivery of human settlements.
- (j) Integration between departments at the municipal and provincial levels is on-going. The City must support the Western Cape Provincial Government's (WCPG) Regional Knowledge Sharing platform⁴⁵ which is intended to drive integrated BNG planning and government responsiveness across the Greater Cape Metro, as outlined within the WCPG Living Cape Human Settlements Framework. The City's relationship with the WCPG and neighbouring municipalities is crucial in attaining outcomes which benefit the residents of Cape Town. Appropriate fora, utilising the tools of the Regional Knowledge Sharing platform, must be identified to disable human settlements blockages in support of greater, well-located and diverse housing supply – particularly as it relates to sectors that are key to enabling integrated communities, for example, education, health, and police services.

⁴⁵The Regional Knowledge Sharing Platform is discussed in greater detail in Chapter 4 in the segment addressing the Catalytic Land Development Programme/ Institutional Investment.

Human Settlements IGR issues across the three spheres of government that require consideration and further debate⁴⁶:

The eight-year freeze on the selling of BNG homes by beneficiaries
The arrangement of funding streams relative to human settlements development
The income categorisation of housing beneficiaries
The potential trade-off between greater delivery of site and service products over BNG products
Transfer of state-held erven for affordable housing purposes
Exploring Sectional Title tenure

B. ENHANCED PEOPLE’S HOUSING PROCESS (EHP)

Problem Statement

The Peoples Housing Process is one the national housing programmes introduced within the National Housing Code and unlike the BNG programme, the intent is to allows beneficiaries to build or organise the building of their homes. The PHP programme has gone through minor changes at a national policy level, the most recent being the introduction of the Enhanced People’s Housing Process (EHP) which called for the establishment of accredited Community Resource Organisations (CROs) within each Province who will assist beneficiary community in the development of their housing opportunities. Due to this requirement the EHP has not been fully implemented nationally as there are limitations within the accreditation process of CROs.

2.4.2 Proposed Solutions:

- (a) The City will further its commitment to the implementation of the Enhanced People’s Housing Process (EHP) to support a diversified supply of government delivered housing. Furthermore, the EHP is an inclusive, community based intervention mechanism which harnesses local context in devising human settlements solutions.
- (b) The EHP policy states that a municipality may act as a CRO and register as such with its Provincial Human Settlements department. As an interim measure the City’s Human Settlements Directorate will make a submission to the Western Cape Department of Human Settlements to act as CRO and facilitate all new PHP projects in terms of the EHP policy. The City of Cape Town as CRO will coordinate all due processes and liaise with all relevant stakeholders to assist the community in initiating a PHP project.

Figure 12: Example of EHP

Beneficiary communities play an integral part in the management of EHP projects. The role of City, in the short-term, is to initiate and plan PHP projects with communities and then procure and appoint the building contractor from a panel. Communities will have input in the selection of service provider being appointed. The implementation of the project is, there-after, guided by a Community Resource Organisation. Below are the yields of some of the units built via the EHP..		
Masiphumelele: 227 units	Masizakhele: 400 units	Manenberg: 555 units

⁴⁶ Greater articulation of the IGR issues is outlined in a memo which previously served as an addendum to the Human Settlements Strategy.

C. FINANCED LINKED INDIVIDUAL SUBSIDY PROGRAMME (FLISP)

Problem Statement

The Finance Linked Individual Subsidy Programme (FLISP) is another housing programme initiative by the National Department of Human Settlements for households in the ‘gap’ market—those who earn too much to qualify for the BNG subsidy but earn too little to easily afford a new house. FLISP is intended to assist these households to access housing, by providing a subsidy that can be used to pay the deposit on a house or to decrease the size of the home loan.

Despite the good intension of the FLISP policy there has been limited take-up of this programme, nationally. There are both supply-side and demand-side issues undermining the successful roll-out and assumption of this programme. The main supply-side constraints include the limited land supply, high product standards, finance costs and availability, contractor capabilities, infrastructure constraints and the lack of household technical support. The demand-side constraints include community and consumer resistance, the inability of households to raise affordable finance, and the limited quantum of the subsidy amount.

Currently within the Western Cape, the WCDHS is administrating FLISP applications.

2.4.3 Proposed Solutions

- (a) Approximately 8.4% of households in Cape Town earn between R15 001 and R22 000. These households are most likely to be able to qualify for a bond from the bank (if they are creditworthy), and subsequently a FLISP subsidy to purchase a home. For this reason, the City together with the WCDHS must seek to incentivise the private sector to cater for this market as well as stimulate the state subsidised housing re-sale market;
- (b) The City will make information regarding the FLISP available at its Local Planning Support Offices (as discussed in Chapter 4 of the HSS)

2.5 PUBLIC HOUSING

The City is a primary provider of rental housing within the metro and owns approximately 43 500 Public Rental units. The Human Settlements Directorate is responsible for the management of the City’s Public Housing which includes, inter alia, allocation of public rental stock, management of lease contracts and maintenance of the rental housing. Public Rental Housing stock is divided into saleable (9 096) and non-saleable (34 404) rental units and are targeted at households who earn a monthly joint income of R10 000⁴⁷ and below. There are approximately 41,500 backyard structures attached to these rental units.

Programmes of action for addressing the public housing management deficit will require their own independent operational actions plans. The Strategy outlines a direction that the City will assume in driving public housing upgrades to the desired end point.

⁴⁷ The draft revised housing allocation policy (2021) proposes an income threshold increase to R15 000 per month. The income threshold will therefore change once Council has approved the policy.

A. SALEABLE RENTAL STOCK

Problem Statement

Saleable rental units include any properties within the Public Housing portfolio where it is envisaged that current tenants could take ownership of the units in the foreseeable future and are not subject to the Sectional Title Act (No. 95 of 1986). Saleable rental housing units are primarily City owned properties developed pre-1994 which are already subdivided or can be subdivided in order for them to become transferable.

As long as these units remain in the City's public housing portfolio, the City is required to perform maintenance and upgrades – this requires the use of scarce financial and human resources that would otherwise be allocated to either non-saleable stock or tangential human settlements interventions. Furthermore, the City believes that enabling ownership would empower residents to achieve economic value through the title of a housing asset.

- (a) It is the City's strategic objective to **expedite the transfer of ownership** of City Saleable Rental Stock. This is applicable to **approximately 9 096 rental units**.

2.5.1 Proposed Solutions

In order to address the challenges associated with the transfer of saleable rental units, the City needs to:

- (a) Identify the barriers to transfer of saleable units;
- (b) Establish additional incentives for beneficiaries to enter into transfer of a saleable unit;
- (c) Explore mechanisms to assist tenants who cannot afford the financial contributions required to take transfer towards transferable units they occupy.;
- (d) Develop and implement a transfer policy in line with the Enhanced Extended Discount Benefit Scheme (EEDBS) stipulated in the National Housing Code⁴⁸. As part of the transfer policy, the City will:
- Review all lease agreements of tenants within saleable units;
 - Regularise occupants in terms of the Council approved Allocation Policy: Housing Opportunities by entering into a lease agreement which includes an offer to purchase after a given time period;
 - Occupants who do not hold leases with the City, and do not qualify for transfer of the tenancy, and have no intention to purchase the property, may be evicted;
 - Undertake extensive consumer education campaigns that are aimed at supporting transfer of ownership of City Public Rental Housing.
- (e) The City's on-going audit of City Public Rental Housing will reveal those units that are in need of maintenance upgrading prior to transfer. To facilitate transfer, the City must:
- Determine a maintenance policy or guideline;

⁴⁸ The EEDBS is the National Policy that guides the transfer of saleable rental housing and provide a subsidy for persons earning R7000 per month and below. However, additional levers as stated in the previous bullet may assist in addressing financial barriers.

- Include categories of maintenance priority as part of the policy/guideline;
- Spatially identify those areas that are set for upgrading;
- Utilise the maintenance regime to incentivise transfer;
- In instances where transfer cannot be completed, implementation of the non-saleable stock options will prevail.

B. NON-SALEABLE RENTAL STOCK

The City leases approximately 34 404 **non-saleable units**. These units are deemed to be non-saleable due to not being easily divisible and are typically multi-storey flats divisible, hence they cannot be easily transferred to tenants due to being subject to the provisions of Sectional Title Act (No. 95 of 1986). Units are, ostensibly, reserved to be rented out to low-income individuals or families in need of long-term housing. Non-saleable rental units also include 11 054 hostel beds and 11 11 self-catering units for able bodied senior citizens.

Problem Statement

Given the vast array of urban pressures felt by the City, and the fiscal balancing required to address these expanding challenges, the City has shown that it is not well suited to both providing and managing rental stock; the chronic maintenance backlog and low rental recovery rates being indicative of this status quo. However, in the context of the current private rental market, the City is not in a position to withdraw its support of the rental market, as the market does not provide sufficient affordable and diverse low-income housing.

Inadequate rental recovery renders these properties financially unsustainable, yielding less income to be allocated to maintenance – yet, unmaintained units are less likely to generate rental income, resulting in a spiral of inefficiency and mismanagement. The City must find a way to continue to ensure that state subsidised rental opportunities are created in an inclusive, fair, consistent, equitable and transparent manner that is financially sustainable and has the capacity to scale up with demand.

Research indicates that Social Housing Institutions (SHIs) and other third party rental managing agents have had greater success in both rental recovery and general administration, suggesting that these institutions are better placed to perform this role than the state.

Simple transfer of Non-Saleable Units to third party managers is not a silver bullet solution as there is increasing reluctance on the part of other actors to accept the operational function of low-cost rental housing on the City's behalf. There are a number of reasons for this, but the most prevalent reason is the negative perception and stigma attached to Council rental housing, coupled with the current low rental collection rate.

In order to arrest the decline in the asset value⁴⁹ of City Public Rental Stock **this Strategy re-affirms several policy positions** which are relevant to the management of these units:

- Public housing is an asset to communities and to the functionality of human settlements. The City commits to residential units being interpreted as such, through the use of educational programmes and behavioural interventions which support this point of departure.

⁴⁹ A housing asset being characterized within the three dimensions of the Strategy: financial, social, and economic.

- Cultures of payment and conformity to regulations need to be inculcated within communities.
- Significant future upgrading of existing rental stock (infrastructure and re-design) will be undertaken within the intention of utilising third party agents for the management of rental stock where possible. Thus, managing agents should form part of planning for significant maintenance upgrading of rental stock.

2.5.2 Proposed Solutions

- (a) Explore the possibility of the transfer of non-saleable rental units in terms of sectional title;
- (b) Investigate the outsourcing of management of non-saleable units to third party management agents;
- (c) Continue the maintenance programme which upgrades the physical conditions of the building;
- (d) Creation of a safer public environment via application of the Mayoral Urban Regeneration Programme (MURP) methodology. This is a robust and tested methodology which has enabled the stabilisation and development of many areas of Cape Town affected by gangsterism, crime and anti-social behaviour. This would include:
 - Activation or enhancement of the ‘Women in Rental Stock programme’;
 - Partnerships with local Schools, NGOs and faith based organisations;
 - Facilitation of community self-organisation through the establishment of tenant/neighbourhood committees, street committees, or neighbourhood watch committees.
- (e) Hard infrastructure investment and coordination of the utilisation of resilient urban design principles to explore options for changing the lay-out of current CRU neighbourhoods, including change of typology and provision of infill housing, acknowledging:
 - The current typology and design lends itself to harbouring illicit activity;
 - Huge open spaces between multi storey blocks can be developed as infill projects, creating more housing opportunities and addressing backyard structures. Alternatively, these open spaces are to be considered as opportunities to enhance green infrastructure and promote sustainable development, through interventions such as the establishment of community food gardens and other urban agriculture opportunities, greening public spaces to assist with cooling in the face of projected climate change impacts, and improving corridors with existing green open spaces.;
 - The need for the development of safety plans together with the community, which includes an investment plan for lighting, fencing (including permeable fencing for oversight and passive surveillance of green spaces), etc.
 - Energy and water efficiency retrofits of City rental stock, which will improve liveability, reduce operation costs for tenants, and improve resource efficiency. This could include, for instance, the installation of rainwater harvesting systems, greywater systems, solar water heating, energy efficient lighting, and improved insulation. This should expand on the City’s commitment to energy efficiency retrofits of City rental stock.

- The creation of multifunctional green open spaces within available land footprints, where possible, as part of the ‘proposed solutions’ and ‘improving the physical condition” rental stock’. This can include, inter-alia, supporting the establishment of community food gardens and other urban agriculture opportunities; greening of public spaces, and improving linkages and corridors, where possible, with existing green open spaces.
- (f) Further capacitating the Housing Safety Unit, which has become an integral part of managing housing estates; these responsibilities being: supporting staff in performing their duties by accompanying them on house visits in volatile neighbourhoods, serving notices for by-law transgression, illegal erection of structures, monitoring anti-social behaviour, and providing support and protection during the execution of eviction orders.
- (g) Explore the development of a rewards system for good standing tenants to encourage adherence to contractual commitments.

C. HOSTELS

Problem Statement

The management and maintenance of the City’s hostels remain a huge challenge. Overcrowding is one of the greatest concerns, resulting in services on these sites being either totally ineffective or in a state of total disrepair.

Consequences of overcrowding:

- Major overload on underground services;
- Compromised state of health and social conditions;
- Limited resources to provide ongoing and decent management of the hostels;
- Reduced ability to speed up a hostel transformation program.

Existing hostels are located in established urban areas with scarce land availability, limiting the scope for temporary de-densification of occupants during redevelopment.

2.5.3 Proposed Solutions:

- i. The objective of **the ‘Hostel Redevelopment Programme’ is to re-develop hostels into CRUs** with increased capacity and family appropriate sized units. **Management of these units is to be outsourced** to third party agents.

There are several components that the City takes into account within the hostel redevelopment programme and will continue with this implementation approach to ensure the successful rollout of this programme in the future:

- (a) Given the significant extent of the upgrading required, the City must develop a programme that sequences the upgrading of all hostels into the long-term future.
- (b) Until such time that all hostels have been upgraded, the City must seek to achieve a bare minimum standard of services that are functional within hostels. These services are to form part of the Human Settlements Urban Management Framework, as addressed in Chapter Three.

- (c) Hostel upgrades must be accompanied by the identification of suitable temporary housing sites where required.
- (d) Engagement with residents within a hostel as well as backyarders who are attached to the hostel site must form the principle departure point for the initiation of a redevelopment programme.
- (e) The City must enter into agreements with residents prior to any re-construction taking place so that the responsibilities of all parties are outlined and committed to.
- (f) Hostel residents should be involved in the re-design of the hostel/ CRU so that community dynamics play a part in the final layout and functionality of the housing site.
- (g) Parallel engagements with SHIs or other managing institutions should occur, including consultation over typology of building structure.
- (h) Refurbishment programmes must consider hiring builders and artisans from the surrounding area of the hostel targeted for upgrading in line with the parameters of Supply Chain Management regulations.
- (i) The City will utilise council structures to establish local contact points so that residents are able to continuously interact with the City through the redevelopment process, to raise concerns or challenges brought upon the urban environment.
- (j) The City will not tolerate unlawful occupation of refurbished hostel units. Allocations to units will be based on accommodating current hostel residents as per the City's Allocations Policy: Housing Opportunities.
- (k) Tenants within refurbished hostels will be expected to pay cost recovery rental. The City and its managing partners will work with communities to inculcate and incentive cultures of payment within all refurbished subsidised housing opportunities.
- (l) The City must investigate alternative urban funding streams to support the extensive upgrading demands of the hostel programme, and commit to an annual target for completed refurbishments. This notwithstanding, the City understands that its role within the urban management of hostel precincts extends well beyond the life-time of an upgrading programme.

Interventions

Chapter Three: The City as an Enabler of human settlements

The City's role as Enabler: Human settlements are about the people that reside within them; their success and sustainability is dependent upon the resilience that exists within communities and the promise of future opportunity and growth. It is the City's intent to support the development of sustainable human settlements that are premised upon urban integration and progression.

This chapter addresses the means by which the City can enable sustainable urban environments within Cape Town; currently as well as into the future. It does this by considering the manner in which the normative considerations of urban management and urban design must inform urban development; both within informal settlement upgrades and formal building development. It is the City's belief that sustainable human settlements are those that are empowered by iterative basic service provision and inclusive design.

The City understands that successful urban management extends beyond the initial installation of infrastructure or the building of a home. In order for individuals to re-invest within their neighbourhoods, a sense of belonging and agency is contingent to their contribution. This section of the Strategy concludes with the means by which the City can look to create agency within the urban environment; amongst residents, amongst civil society partners, and amongst communities.

The City's role as an enabler also includes how development incentives and City assets are utilised to reduce the cost of developing affordable housing thus encouraging investment, as well as how partnerships with affordable housing developers can increase the supply of affordable units.

Chapter Breakdown:

- 3.1 Urban Management in areas of informality
- 3.2 Urban Design within human settlements
- 3.3 Community Participation and agency
- 3.4 Attracting investment into housing precincts
 - A. Greenlining
 - B. Utilising data to facilitate investment
 - C. LVC
 - D. Consideration for the impact of the City's finance policies
- 3.5 Reducing the barriers and cost drivers for affordable housing
 - A. Programme of land and building release
 - B. The Social Housing Programme

City Roles and Responsibilities:

- Implement urban management and urban upgrading;
- Apply the principles urban design within informal settlement upgrading and state-subsidised formal housing provision;
- Develop and roll-out community participation and agency plans
- Establish opportunities for private investment into human settlements
- Facilitate mechanisms which reduce the cost of producing an affordable housing product in the market

- Enable Social Housing Institutions

Public Roles and Responsibilities

- Engage with urban management interventions and principles;
- Communicate service delivery failures;
- Utilise established communication channels

Private sector roles and responsibilities:

- Engage with HS investment opportunities communicated by the City;
- Utilise the incentives offered by the City to produce affordable housing;

3.1 URBAN MANAGEMENT in areas of informality

Problem Statement

The City wishes to see the iterative transformation of areas of informality and semi-formality into formalised neighbourhoods. In order to do this, the City needs to commit to a menu of basic urban services intended to enable and support formalisation. Equally, within formal development areas, the City wishes for its service menu to extend so that residents enjoy an expanding basket of high quality services. However, in order for these services to sustainably take hold, responsibility for the urban environment must be shared.

Urban management, within this Human Settlements Strategy, is a concept⁵⁰ which underlines a community driven approach to ensuring that the urban environment develops and performs at an optimum standard. When human settlements interventions are initiated, such as the upgrading of informal settlements or the development of housing by the public or private sector, the long-term value that the development contributes to the urban environment is sustained by urban management interventions. In this sense, urban management refers to the maintenance, safety, sustainability, and utility input into, and generated by, interventions into an area. In order to be truly effective in a resource constrained context, urban management requires the contribution of all stakeholders – the public sector, civil society, residents and the private sector – to propel the local socio-economic system to deliver opportunities for mutual benefit.

Δ Urban management defined:

‘City governments together with other urban stakeholders - civil society, private sector, and local communities – assuming an active role in the mobilization, management and coordination of resources to support the objectives of urban development that ensure the vitality of cities’
(National Treasury: 2014)

Mutual benefit in this regard refers to the resource sustainability of a city: home-owners seeing value-increase in their homes, experiencing safe communities, utilising working infrastructure to generate economic activity, balanced against a city administration that is able to collect rates and tariffs from its residents and effectively re-commit that revenue to service delivery.

Within the human settlements environment, for residents (and community organisations) urban management means that they are involved in:

- Actively managing their urban spaces by self-organising to address certain urban issues;
- Shaping behaviour on a peer-to-peer basis;
- Feeding information through to state services where needed;
- Responding to service delivery concerns by actively engaging government on infrastructure performance and infrastructure needs;
- Conforming to regulations and processes;
- Working with government to alter processes and regulations that are counter-active to social needs or circumstances

For the City this means:

- Creating numerous ‘touch-points’ for residents to engage with the City on their development management needs;

⁵⁰ The concept of urban management is also purported by the WCPG in their Living Cape: Human Settlements Framework and the National Treasury

- Predictable responsiveness that builds trust with communities;
- Working with residents to enable access to safe housing opportunities;
- Acknowledging local contexts and concerns brought forward by residents with respect to urban development;
- Working with residents to shape the urban environment (through regulation, design, service delivery support) in a manner that addresses local, contextual needs;
- Effectively responding to resident notices of infrastructure failure or need so that maintenance rather than replacement of infrastructure is foremost.

For other organs of state this means:

- Greater scope (expanded touch-points) to engage with community will.

For non-governmental actors, this means:

- A more visible network of interaction between communities and the City in order to address gaps within the social environment and support sustained social outcomes.

For private developers, this should enable:

- Opportunities to invest in property, business, and services in communities that indicate levels of self-organisation, have active and responsive service delivery, and conform to practices that support ‘formal/ financeable’ economic activity.

The **human settlement environment** is as important as the individual house in providing safe and healthy living conditions for residents. Well-functioning human settlements create sustainable, cohesive communities and establish long-term value for housing assets.

This section of the HSS focuses largely upon the urban management interventions that need to be inserted into areas of informality, semi-formality and unregulated backyarding. The City’s Informal Settlements Upgrading Programme (ISUP) allocates basic service upgrading according to the following convention⁵¹:

- Where settlements have no services (generally as a result of unlawful land occupation): **emergency relief services are provided where possible;**
- Where settlements have some temporary basic services: **full basic service upgrading** is provided subject to the conditions of the ISUP being met.

Following the installation of full basic services, incremental upgrading is to continue, and effective urban management must take place in order to support sustained service standards. The HSS proposes the creation of a basic services framework that the City needs to deploy in order to support incremental upgrading within the urban environment and ensure transparent and regular engagement with communities whilst doing so.

Principles of Urban Management (for areas of informality)

- i. Informal settlements need to attain a level of basic service sustainability that supports incremental upgrading and unlocks expanded housing opportunity and choice;

⁵¹ The standards of services are discussed in Chapter 2 and are defined by the City in Systems and Procedures.

- ii. Informal settlements upgrading should incorporate, where appropriate, sustainability, climate resilience, resource efficiency and green infrastructure principles and approaches;
- iii. Residents of informal settlements must be engaged by the City to understand their immediate urban needs, how some of these needs might be met by the state, and how community organisation and commitment might support their attainment;
- v. The City must work alongside communities to address issues of safety that inhibit incremental upgrading, that prevent the wide-spread use of public open space, and generally detract from the development of integrated and sustainable human settlements development;
- v. Communities are to be empowered in the management and maintenance of their urban spaces and in their ability to collaboratively work with the City in addressing issues of urban blight, in order to improve the resilience of communities by being able to respond to localised shocks;
- vi. Accessible City-administration contact points will be established so that residents have means of interacting with the City on an on-going basis;
- vii. The City will explore alternative approaches to other forms of urban management entities, besides MURPs, within low-income communities that are unable to sustain a Central Improvement District;
- viii. The City will explore alternative approaches to partnering with communities, ensuring that communication is not top-down but instead conducive to co-creation of urban solutions;
- ix. The City will leverage the presence of non-governmental organisations and other non-state actors who represent the needs of communities, to sustainably push community orientated solutions to contextual urban management problems.

Figure 13: Example of the eThekweni Interim Services Programme

Through the installation of ablution facilities across a wide variety sites within informal settlements, the project has mentored emerging sub-contractors to deliver services. Caretakers and community liaison officers are hired to service and maintain the ablution blocks, reducing the maintenance demands on the local government.

Figure 14: Example of the City of Cape Town & Future Cities South Africa informal settlement data pilot

During the first 12 months of the COVID 19 pandemic, the City partnered with the Future Cities South Africa (FCSA) collaborative to pilot a data driven programme which monitored the performance of temporary basic services within informal settlements. Within the framing of the pilot, basic services were determined to be the provision of temporary toilets and taps to a defined number of settlements. Residents within the settlements were employed to provide daily updates on the performance of the temporary services, via a mobile application, which were then submitted as C3 notifications to the City's Informal Settlements Basic Services (ISBS) branch. The taps and toilets were geo-tagged and faults were rapidly responded to by the ISBS branch to ensure the continued provision of sanitation services to settlements lacking permanent basic service infrastructure.

Mutually beneficial outcomes resulted from the innovation. Aside from assisting the City in plotting the location of infrastructure, relative informal settlement density, the pilot empowered community members to assume an active role in the monitoring of basic service levels and effectively communicate faults to the City.

Following the provision of full basic services (as determined by the ISUP), The below services must form the starting point for the creation of a Human Settlements Urban Management Framework.

Figure 15: Human Settlements Urban Management Framework

Urban management services currently provided by the City:
(in both formal and informal settlements):
<ul style="list-style-type: none"> • Electricity: installation of electricity infrastructure and electricity functionality (responsibility shared with Eskom) as well as the application of off-grid energy supply; • Roads and Storm-water: development of roads, storm-water systems and supporting infrastructure; • Water and Sanitation: installation and maintenance of water and sanitation infrastructure, and catchment stormwater and river management; • Waste Management: waste collection, removal and administration of large waste collection points; • Social Services: construction of social services infrastructure, consolidation of ECD services and management of ECD service providers; • Environmental Management: management of nature reserves, the coastal environment, heritage resources and biodiversity; • Business and licensing support: administration of various business licenses, precinct management and informal trading regulation; • Environmental Health: monitoring of water and air quality; • Traffic Management: traffic flow, easing, and regulation; • Safety and Security: deployment of safety and traffic officers; • Fire and Rescue: deployment of fire combating assets; • Community services: managing and maintaining recreation facilities and spaces; • Urban Agriculture: managing urban agriculture and community gardens.

Figure 16: Example of the WCPG’s “Living Cape Framework”

The Living Cape Framework supports a departure from the current housing delivery model by focusing on improving the quality of human settlements. Sustainable human settlements are holistic spaces which bring together housing and land, and social and economic services, networked infrastructure and community social fabric. This approach acknowledges the need for integration within human settlements (e.g. the integration between housing and services).
 Priorities for an informal settlement would include:

- In situ upgrading with a focus on security of tenure, services, public infrastructure, and incremental housing opportunities;
- Enhancing quality of life and active citizenship: By supporting the social capital within informal settlements, the community as a whole can be uplifted;
- Strengthening sector capability, governance and resources.

3.1.1 Proposed Solutions

Figure 17: Urban Management framework of implementation:

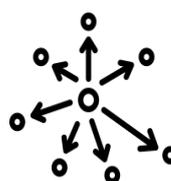
The below diagram describes the manner in which urban management should be conceptualised to support incremental upgrading and long-term formalisation within urban areas

Urban management interventions that can lead toward incremental upgrading:

 Organisational arrangements



Each Informal settlement must have access to a **common basic service standard** necessary to attain formalisation. City services prior to this step must be administered through a **working relationship** with the community.



Devolution of urban management is required to enable community-based interventions through greater utilisation: greater utilisation of sub councils, Local Planning Support Offices and the heightened agency of the community



In the long-term, the City must expand its urban management staffing capacity for informal settlements, and appoint a **moderator** for these interventions, capable of coalescing actions and regularly driving management interventions. In the short-term, the City must focus upon repurposing its current staff across the four regions of the metro to enable regular engagement between residents and the City.

Prior to incremental upgrading



A contextualised **Human Settlements Urban Management Framework** that identifies a basic service menu should exist for all informal settlements.



The implementing department must establish community networks that devise **urban management objectives**. These objectives should include general maintenance commitments to be upheld by both the City & the community.



Where possible the City will roll-out **certified training programs** which upskill draftsman, electricians, and handymen to address minor maintenance to infrastructure systems.



Green Infrastructure principles are to be utilised in the development of urban management solutions for informal settlements to achieve heightened liveability and mitigate health risks and cost savings through energy and water efficiency.



Informal settlements must be equipped with a **basic level of social services infrastructure** including temporary structures in hubs of social services, an ECD centre and multi-use outdoor facility.

After incremental upgrading



The City must shift its focus toward supporting **expanded urban management interventions**, again, directed and powered by the community. This should include the establishment of Street Committees or **Central Improvement Districts (CIDS)** (or appropriate funding vehicles), the urban regeneration programme, community directed planning processes, and business formalisation and regulation support.

Urban management roll-out in areas of informality:

- (a) Draft the Human Settlements Urban Management Framework;
- (b) Draft Systems and Procedures that outline departmental responsibilities toward urban management within informal settlements;
- (c) Support the data components of the upgrading of informal settlements programme to ensure that basic services are monitored and that service failure is responded to by the City;
- (d) Draft Systems and Procedures for working with communities to support co-productive solutions for informal settlements basic service maintenance;
- (e) Develop an educational and innovative public employment programme which empowers community members to act as monitors of the urban environment. This programme must pilot new ways of working with communities, drawing on the lessons from previous experiences. The City should consider rolling this programme out through the EPWP. The aim of urban management interventions should achieve sustained service delivery and rapid response to service delivery failure;
- (f) Support innovative programmes for ensuring safety of housing structures in informal settlements, as outlined in the upgrading of informal settlements programme.

3.2 URBAN DESIGN in human settlements

Problem Statement

Some of the problems that beset human settlements are the result of physical environments which are not user-friendly. Including basic urban design principles within the City's human settlements interventions can enable cohesion within communities, support greater use of public space and social facilities and result in safer, more integrated human settlements.

3.2.1 Proposed Solutions

Within informal settlements, this means that:

- (a) Urban design principles intended to create sustainable human settlements must support upgrading of informal settlements process from the outset;
- (b) Communities must be involved in determining the functional needs of their urban space;
- (c) The City must work toward delivering a base menu of the urban management services that constitute a sustainable human settlement
- (d) Informal settlement upgrading should include access to a public open space (POS), with social services centres straddling POS;
- (e) Informal settlement upgrading must include the creation of safe movement routes and the interlinking of green open spaces, such as wetlands and dunes, to ensure that these areas do not become isolated and targeted for pollution and illegal activities;

- (f) Informal settlements should be equipped with a basic level of social services infrastructure including temporary social service hubs, ECD centres, green open spaces, and multi-use outdoor facilities, that can result in innovative and multifunctional use of such spaces for diverse social, economic and environmental benefits;
- (g) The management and coordination of resources to support the objectives of urban development within informal settlements should include green infrastructure to achieve heightened liveability and mitigate health, environmental and climate change risks.
- (h) Informal settlements upgrading must include fire-risk mitigation measures to avoid future fire-spread;
- (i) Lighting of POS and connecting roads/ walking routes etc. must be included in any informal settlements programme;
- (j) Informal settlement upgrading must account for greater service ratios in light of COVID 19, allowing for increased taps and sanitation sites in a re-blocking project.

Within the City's BNG programme, this means:

- (k) Urban design principles must support the development of sustainable human settlements from the outset of a development;
- (l) Resource efficiency interventions are sought within the design of homes, including roof overhangs, insulation (particularly the installation of thermal ceilings), material use, ensuring of natural lighting, and installation of low-pressure solar water heaters, where possible.
- (m) Developments should strive to ensure community facilities, public institutions and green open spaces should be clustered together or located along structured routes that result in resource efficiencies, improved liveability, improved multi-functionality of open spaces, and promotion of equitable access to such facilities and services;
- (n) BNG homes must be designed in such a way that passive surveillance of green open spaces and pedestrian routes is ensured, where possible, to create safer neighbourhoods;
- (o) Green open spaces are used innovatively to create multifunctional spaces that can be utilised by the community for recreation, enjoyment, health benefits, provision of spaces for public concerts, urban agriculture, stormwater management and other uses. Degraded sites should be restored and regenerated, existing natural environmental assets protected and enhanced, and new green infrastructure assets should be promoted to reduce the risk of natural hazards such as water and flood risks;
- (p) Non-motorised transport options are to be incorporated into developments including walking routes and the promotion of access to public transport options;
- (q) The retention of existing trees is promoted, and the planting of suitable, indigenous or resilient tree species is supported, where relevant funding is available;
- (r) POS access is facilitated and illustrated;
- (s) Groundwater infiltration is facilitated through the application of SUDS principles and practices, including permeable paving, where appropriate, thereby minimising flood risk;

- (t) Developments respond positively with the abutting environment, through the erection of permeable boundary walls or fences, creation of firebreaks, and establishment of ecological buffers for developments adjacent to watercourses or ecologically sensitive open areas;
- (u) Energy and water efficiency is incorporated in the design and layout of developments and structures which will improve liveability, reduce operation costs, and improve resource efficiency;
- (v) The use of resource efficient materials and low-carbon designs is promoted, where appropriate.

Figure 18: Example of VPUU, Harare, Khayelitsha

The integration of vibrant public space with crime monitoring stations positions “crime prevention” in a positive light, allowing the community to take ownership of its most dangerous places.

Figure 19: Example: Sustainable design within BNG developments

The City has various examples of integrating and incorporating resource efficiency and environmental sustainability features in the design and construction of City housing projects, including: the Witsand ‘iEEECO’ low-cost housing project iEEECO (integrated-energy environment empowerment cost-optimisation); Morningstar housing project; Greenville Garden City; Ocean View stone houses; and Pelican Park housing development. These should be mentioned and discussed in the draft Human Settlements Strategy.

Figure 20: Example of Smart Parks

The development of smart parks in six locations includes paving, low-wall seating, picnic sites, and large trees to provide shade. The smart parks have seen the transformation of vacant areas into comfortable and interesting communal spaces where people can meet and relax and, importantly, where children can play in a safe environment.

3.3 COMMUNITY PARTICIPATION AND AGENCY

Problem Statement:

In order for our human settlements interventions to sustainably take hold within communities, it is critically important that the City’s points of departure are, at all times, human centred. This means recognising that communities are seeking humane solutions to the complex problems that impact their lives. As such, the City must consult, interact, and manage the human relationships that surrounds any upgrading or relocation process within human settlements.

Challenges:

- Service delivery is often rendered unpredictable by factors of human influence, social dynamics, regulation constraint, resource constraint, and emergency prioritisation. As a result, the City holds complicated relationships with several communities; an outcome which doesn’t favour a system of achieving mutual benefits.
- Aside from requiring a willing relationship with communities, the City needs to be able to partner with other actors who operate within human settlements spaces; in order to better **communicate**, **negotiate**, and **orientate** our interventions within human settlements.
- Currently, this framework for interaction does not exist and requires iterative engagement in order to support successful implementation.

- Very little recourse exists for residents who exist outside of the formal housing structures to elevate issues of housing concern or exclusion. As a result, civil unrest and protest is directed toward the City.
- A lack of urban management structures, the insecurity of tenure experienced by residents, and the overwhelming density within informal settlements suggest that social upheaval (in the form of unlawful land occupation or protests) are unlikely to be addressed by government process, alone. Effective channels of communication and response to service delivery concerns are, thus, critical for quelling future protest action.
- For those within the formal housing system, established processes of engagement are sometimes met with frustration and sentiments of discounted opinion.
- A human resource deficit exists within the City with regards to facilitating wide-spread engagement in complex environments, intended to inform City investment programmes and interventions.

In order to capture the benefit provided by the extensive actors operating within systems of human settlements, the City needs to map the various role-players and their spheres of influence, particularly in relation to informal settlements.

Furthermore, the City needs to establish common protocols and standards that can be clearly understood and upheld by all parties that operate within the informal settlements space. Protocols should rely on processes of negotiation and collaboration to establish heads of agreement, and cannot be the result of one-sided decision making. Such processes should also outline opportunities for engagement and lobbying so that common understanding of the budgetary and upgrading allocation is inculcated within Cape Town civil society.

Within the formal housing system, the City needs to extend opportunities for social inclusion in its communication of the development process. Viewing public participation as critical for civil society cohesion is an important departure point for any communication process related to human settlements development.

Principles for application within informal settlements:

- i. The City commits to implementing solutions which are negotiated with communities, utilising the structures of sub-councils and ward committees; thereby requiring that all parties accept a broad level of compromise. Facilitation within this process is vital, and the City needs to adequately create capacity within its work-force to achieve negotiated and implementable outcomes.
- ii. Given that mistrust exists between some communities and the City, the City will be open to utilising the agency of social sector partners to achieve negotiated positions of compromise.
- iii. Communities must be willing to work with the City, and must have an established and functional community leadership structure.
- iv. The City will support the development of local forums and structures with which to engage in order to negotiate mutually beneficial outcomes. The more empowered the community structures, the more likely they will be able to promote local stability and consensus; preconditions for effective management.

Figure 21: Example of VPUU, Monwabisi, Khayelitsha

The development of Community Action Plan signed between the City and the local community was part of several interventions that enabled a holistic approach to human settlements upgrading: a Spatial Reconfiguration Plan, an environmental basic assessment, a full enumeration that led to occupation certificates being issued by the City to all heads of household, social projects such as creating small public spaces, sports and community facilities, electrification, work in Early Child Development, the prevention of gender-based violence, and business creation have all been supported.

Principles for application within formal development systems:

- v. The City upholds the importance of timeous, transparent and accessible communication with communities, in relation to human settlements development.
- vi. Whilst it is impossible to appease all sides in a development process, the City commits to enabling all stakeholders with a channel through which to express their views and access to a record of decision which orientates all views.
- vii. Communication with communities should be human-centric, easy to use, administratively light, and embracing of technology.
- viii. The City recognises that community engagement is an on-going conversation that requires iterative learning and listening; the City will progressively review its means of public communication in relation to all human settlements development with a view to constantly improving and upgrading so as to satisfy a willing and engaging public.

Figure 22: Example of 'MyEstate'

The MyEstate mobile housing office renders crucial engagement, advisory and public education services; such as tenancy management, service requests administration, rent relief application assistance, housing database enquiries, new housing applications, lease agreement formalisation, and the arrangement of rental accounts in arrears.

3.3.1 Proposed Solutions

1. Communication Plan

The City will draft a communication plan that is transparent and dependable, and which supports engagement with informal and formal housing participants, in order to address grievances related to housing. Residents need a communication channel through which to direct their concerns and require a level of response from the administration that indicates that a solution is forthcoming. As such, the Communication Plan must consider, both, upfront communication as well as response communication in the event of service delivery failure. Similarly, an internal communication plan, outlining the human settlements vision for Cape Town is requisite for staff of the City, so that employees can trace their own contribution toward the creation of integrated, sustainable human settlements.

2. Public Stakeholder Campaigns

The City must increase civic awareness around the benefits of housing regulation, the importance of infrastructure maintenance, natural assets and green open spaces, the utility of energy and water efficient household devices, the process of municipal decision making surrounding human settlements upgrading, and how the budget cycle effects project implementation. Stakeholder programmes

around compliance must be aligned to urban management incentives, will utilise the existing council infrastructure of sub-councils, will leverage the presence of Local Planning Support Offices (LPSOs), and must be focus upon the empowerment of communities.

The City must support the roll-out of consumer stakeholder programmes which highlight the importance of being a home owner, “smart-living” practices and lifestyles and of the means of maintaining a home. Similarly, the City will support the WCPG’s FLISP rollout by making education material available via municipal structures.

Interventions need to be designed so that they represent on-going learning (by both the practitioner and the beneficiary) rather than a once-off engagement at the beginning of the home-owning journey.

3. Use of Social Innovation Labs

Prior to implementing new human settlements products or designs, the City will utilise (or seek to establish) social innovation labs where practices, concepts, and innovations can be created and tested alongside communities. The City needs to break away from the current perceived hierarchy of implementation. Within informal settlements, innovation and community practice is occurring at a rate which outstrips the interventions of the administration. Instituting principles of resilience and inclusivity will allow the City to work alongside everyday practice and ensure that human settlements interventions are geared toward achieving sustainable outcomes.

4. Staff Training

The ability to interact and co-design alongside communities is contingent on the ability of City staff to navigate tense interactions and direct them toward outcomes of mutual benefit. The City must empower its own staff in dealing with these types of scenarios. Specific staff within the City must be able to interact with communities in negotiation, in conflict identification and resolution, and in the building of engagement and facilitation scenarios. Until such time that staff are able to undertake these actions, the City must utilise the capacity of partner organisations to fulfil these critical roles.

5. Memorandums of Understanding with Community Partners

In the execution of the Joe Slovo Backyarder Study, the City made use of the services of the Human Sciences Research Council (HSRC) as a neutral intermediary between the City and the community, to great effect; the HSRC playing the roles of subject matter expert, facilitator, communicator, and technical specialist.

Several other examples of community intermediaries are prevalent within human settlements dynamics within Cape Town. Some have proven highly beneficial and resulted in tangible outcomes of mutual benefit, whilst others have added to the weight of complexity within human settlements challenges and, arguably, inadvertently subverted the intended objectives of service delivery.

Whilst Heads of Agreement with NGOs have been drafted before, these have varied in scale - from cursory ceremony to overtly binding legal contracts. A standard, middle ground needs to be found and developed.

Immediately Implementable Actions:

- (a) Undertake a research programme on the dynamics that shift behaviour within informal settlements; so as to enable more adaptive response from the City.

- (b) Map the stakeholders that City recognises as operators within the informal settlements space, denoting the spatial areas in which their work takes place.
- (c) Undertake a review of the Head of Agreement and MOUs that the City is currently engaged in, within informal settlements, noting their spatial location, the lifespan of the agreements, and the objectives that have been achieved thus far.
- (d) Develop a standardised MOU which can be agreed upon by the City and its civil society partners. The scope of the MOU should speak to:
 - Upgrading of informal settlements, backyarders on City property, or CRUs;
 - Community orientated interventions for formal housing developments;
 - Community partnerships which require the City's input to achieve human settlements aims beyond direct housing provision.

The City must create a Partnerships Framework which guides the principles, ways of working, and financing of partnership agreements (where applicable).

- (e) Develop a standardised MOU between community leadership structures and the City detailing responsibilities toward informal settlement upgrading or backyarder upgrading on City property; indicating clear processes, timelines and outcomes, defined at the outset of an upgrading undertaking.
- (f) Whilst standardised MOUs are supported for ready implementation, it is likely that agreements will need to be altered to capture the contextual needs of respective communities who enter into negotiation with the City.
- (g) The authority to enter into these MOUs needs to be clarified within the organisational structure of the City, as per the System of Delegations.

Suggested Resources:

- (h) The state of the current national fiscus demands that all metros implement strict resource control measures. As such, the suggestions within this section (and throughout the document) are subject to resource and funding availability.
- (i) The City will undertake a research project on community-orientated affordable housing provision, such as the creation of community trusts and co-operatives. These projects are intended to empower community delivery of affordable housing as well as solidify the working relationship between the state and the housing community.
- (j) The City requires a staffing position to manage the various human settlements partnerships that it enters into, particularly within the informal settlements sphere, overseeing their initiation, implementation, agency and effect. The range of partnerships should be reported into the Council process and made available for public and academic scrutiny.
- (k) The City will develop a central repository for holding this information; so that it can be accessed by departments within the administration.

- (l) The City should investigate the use of technology to support obtaining community consensus in the scope of the various interventions. The World Bank has initiated several successful pilot projects where virtual mapping (virtual reality technology) and drone photography are utilized to enable various visual aids for communities to interrogate when considering upgrading alternatives. Intervention aids such as those provided by technology enable community facilitation within the decision making process and ensure a level of agency in the implementation and maintenance of urban investments.

3.4 ATTRACTING INVESTMENT INTO HOUSING PRECINCTS

A. GREENLINING

Problem Statement

National Treasury and the Cities Support Programme have articulated the process requirements for metros to implement their Catalytic Land Development Programmes. The City's expression of the Catalytic Land Development Programme is captured within its IDP, and seeks to address a range of enablers for urban development.

When land is catalytically developed by the State, it follows that some impact will be made upon adjacent housing markets. The City's Catalytic Land Development Programme should register as an expression of strategic financial decision making by the administration. Properly articulated, it stands to guide private sector investment on where the City is looking to create urban value through reinforced public financing. This is particularly relevant to those institutional investors who see long-term investment opportunities in supporting affordable housing supply (in both rental and buyer markets).

Objectives

- i. Creation of a viable development model capable of crowding-in institutional investment within developing housing markets that is aligned to the City's Catalytic Land Development Programme;

3.4.1 Proposed Solutions:

The City will investigate a programme of 'green-lining' neighbourhoods⁵² that support the rollout of the Catalytic Land Development Programme. The aim of green-lining is to indirectly stimulate the mortgage lending market (particularly within re-sale markets) by creating investment grade precincts whereby lenders feel comfortable lending and residents feel encouraged to re-invest in their homes.

- (a) The City is developing a draft Infrastructure Strategy which will outline the infrastructure prioritisation areas over the medium to long term, serving as a guide for future densification of precincts;

⁵² Whilst green-lining is widely used terminology, the City has learnt heavily upon the Centre for Affordable Housing Finance in Africa (CAHF) in identifying the opportunity for green-lining within Cape Town. The above definition of green-lining is taken from a presentation by the CAHF.

- (b) Via the roll-out of green-lining precincts, the City will annually publish areas intended for green lining, identifying short, medium and long-term commitments;
- (c) Areas will be identified primarily using the ECAMP (Economic Areas Management Programme) tool;
- (d) Green-lining precincts should receive a base menu of social and public facilities as well as additional bulk infrastructure to support densification;
- (e) Obtaining the trust of the community is critical to long-term success of precinct investment. All green-lining programmes should include interventions and commitments aimed at building the relationships between the role-players within the community and the municipality;
- (f) Part of the City’s medium to long-term interventions should include the transformation of street committees into rate-payers associations, supported by City Improvement Districts;
- (g) The City will engage institutional investors so as to determine how to incentivise interaction within a single market place that supports institutional investment in social housing and green-lining precincts;
- (h) The City will investigate offering green-lining precinct bonds to investors who intend to invest in social upgrading;
- (i) Green-lining precincts, if supported, should be captured in the City’s Consolidated Land Pipeline and DSDFs.

Figure 23: Example of Green-lining in the United States

Established in response to the prejudicial practice of red-lining by banks, greenlining proposes upgrading by highlighting the inflow of investment resources, services and opportunities into communities. Beyond legislative reform, various initiatives were implemented, including the formation of partnerships between lending institutions, NGOs and communities to establish community health centres and encourage financing for the upgrading of homes.

B. USING DATA TO FACILITATE INVESTMENT

Problem Statement:

A barrier to building a portfolio of investment grade properties is the lack of accurate and comprehensive data on housing needs and valuations. Into the future, housing choice for investors will not be isolated to single municipalities, alone, but will instead reflect socio-economic opportunities inherent within regional space economies. In this regard, the City and its partners in government are well placed to gather and publicise data on the housing sector that would empower institutional investment, speculative investment, and development intelligence in mixed-use, affordable housing precincts. Whilst some of this is independently contained in the City of Cape Town’s Built Environment Performance Plan (BEPP), it is seldom distributed in a human settlements friendly format.

3.4.2 Proposed Solutions:

- (a) Establish an annual housing colloquium for data-sharing;

Figure 24: An annual housing colloquium

The City' annual housing colloquium must endeavour to: expand across the entire human settlements spectrum; offer opportunities for micro-developers to engage with one another and with larger development firms; showcase innovations within localised supply chains; connect housing support services with one another; consider investment locales in light of articulated government target areas; and platform ideas of regulation innovation and easier housing facilitation.

- (b) Develop an annual housing data publication aimed at investors/developers of all levels.
- (c) Develop a residential ECAMP to support property affordability calculations and investment decisions.
- (d) Initiate a data orientated project which aims to establish the normative price per square metre for residential development required to enable affordable housing development.
- (e) Support the Western Cape Provincial Government's (WCPG) Regional Knowledge Platform as outlined in the WCPG Living Cape Human Settlements Framework and the Greater Cape Metro Regional Spatial Implementation Framework (RSIM). Both documents address the utilisation of data sharing to increase efficiencies and opportunities within the human settlements system. As such, the intention of the Regional Knowledge Platform is to:
 - Enable continuous research and development regarding human settlements across the greater cape metro to serve a diverse stakeholder group including NGOs and the private sector;
 - Support standardised human settlements data collection and analysis to enable integrated planning;
 - Promote open source systems through innovative knowledge sharing practices;
 - Assist with scaling up joint projects that span abutting municipalities.

C. LAND VALUE CAPTURE

Problem Statement

The City is almost entirely dependent on grant funding provided by the National Government to deploy its affordable housing programme. The quantum of funding is a firm ceiling in determining how many housing opportunities the City can provide in a financial year⁵³. The type of grant determines the manner in which the City can direct spending; generally being distinguished between informal settlement upgrading (Upgrading of Informal Settlement grant), BNG development (Human Settlements Development Grant), and infrastructure provision, including social facilities (Urban Settlements Development Grant

To rely on government grants for the delivery of housing opportunities speaks to one aspect of the human settlements system but it is not sufficient to create sustainable, integrated human settlements. The City cannot premise subsidised housing delivery on a stable level of grant funding, particularly

⁵³ Notwithstanding other factors that cause delay to housing delivery such as contract management, civil unrest, bulk infrastructure supply etc.

given the fiscal demands of COVID 19 on the government purse. As it stands housing demand currently well exceeds the grant provision. As a result of this, the City needs to leverage public infrastructure investment, and City assets (land and buildings) to deliver integrated human settlements.

3.4.3 Proposed Solutions

Investments into urban areas made by the City increases the value of land and property. In turn, private investors and land owners benefit from the public investment made in these areas, the value of which can be recouped via taxes and charges, or by other mechanisms which incentivise private infrastructure contributions as a result of value generated through public action. These **Land Value Capture (LVC)** mechanisms ensure that the broader community benefit from the increased land values that result from government action.

The City captures land value reactively and proactively; through the cost recovery mechanism of the Development Charges Policy and through City property rates and taxes. Broadly speaking, LVC enables the City to tax private sector actors who benefit from public sector investment.

At the same time, the City wants to utilise LVC to promote and incentivise private sector growth and development within identified, well located high density nodes in the City that can contribute meaningfully to urban regeneration.

Figure 25: Fiscal and non-fiscal mechanisms for enacting LVC

Fiscal Mechanisms	Non- fiscal
Tax increment finance	Development charges
Special assessment districts	Density bonuses, , which require a public contribution e.g. affordable housing
Tax abatement	Land readjustment schemes/ land banking
	Disposal or lease of City owned land, with conditions attached to benefit the broader community
	TOD redevelopment scheme in an urbanised area

- (a) Beyond its two primary instruments, the City has struggled to strategically embed LVC into the organisation. Arguably, this is a result of too much focus on the tools of LVC and insufficient emphasis on its principles. **The City requires a LVC framework** that determines its LVC objectives and the mechanisms necessary to achieve them. This work should be undertaken by a transversal working group within the City organisation, with the delivery of pilot LVC projects to support the establishment of the framework. The work-group must coordinate with external role-players to target identified priority areas. The City will document the pilots, in order to replicate the successes of the projects and roll-out diverse and alternate LVC projects in the future. The City will commit to working with other metros to build a community of practice around LVC implementation.

D. CONSIDERATION FOR THE IMPACT OF THE CITY'S FINANCE POLICIES

Problem Statement

Additionally, at the point that affordable housing opportunities are constructed, certain taxes are demanded of households as they form part of the urban environment maintained by the City. Beyond the capital requirements of housing construction, the City must be cognisant of the financial burden that rates and tariffs place upon residents so that affordable housing opportunities are not priced out of the market by prohibitive rates and tariff structures

Rates and Tariff-related Policies:

If the principles of urban management and tenure recognition are successfully applied, the market value of property within Cape Town should increase, over time. This is to the benefit of the City and its citizenry and is an underlying principle of the Human Settlements Strategy – that residents should realise the full value of their properties as social, economic and financial assets.

The City's finance policies are instrumental in determining the value of properties within Cape Town and have significant implications for the tariff requirements that flow from property valuation. Despite supporting the notion that property values must increase with time, the City is aware that increased value generally results in increased tariff costs; which may prove prohibitive to beneficiaries of affordable housing. To counter the exposure of affordable housing beneficiaries to tariff increases, the City has traditionally instituted rates and tariff relief for properties below a determined base value⁵⁴ and administers an Indigent Policy to ensure that eligible low-income earners are not unduly burdened by rates and tariffs. However, this rebate has two unintended consequences:

- Properties are unable to realise their full market value as the rebate undermines the extent of the value inherent within the housing asset;
- The administration is unable to re-invest expanded social services into these neighbourhoods due to the funding constraints of cross subsidisation across rate-funded services.

3.4.4 Proposed Solutions

The Human Settlements Strategy sets out to encourage residents to interact with the formal property market so that the market value of their homes might be fully realised, and that these values might increase with time. Furthermore, the Strategy acknowledges that greater formal market interaction has upstream and downstream benefits for the local economy. Accordingly, the Human Settlements Strategy wishes to see a growth in the rates base over time to the benefit of both the City and the residents of Cape Town. However, the City must ensure that the structuring of its finance policies supports housing affordability and formal housing access.

- (a) The City will continue to review its finance policies, annually, to ensure that they are aligned to supporting the increase of market values of housing assets but that these increases do not result in prohibitive tariff surges which prevent residents from enjoying the benefit of housing assets or prevents SHIs from providing affordable rental accommodation;
- (b) The City will continue to administer an Indigent Policy and effective debt management practices with the intent to ensure that households are not unduly burdened by municipal rates and tariffs;

⁵⁴ Currently, the relief is applicable to properties that are valued at less than R400 000

- (c) The City will develop a vision for its secondary housing market (existent homes that are bought and sold – not newly built) that aligns rates and tariff increases to augmented and on-going long-term property activity;
- (d) The City will map its Property Value Chain (PVC) to better assess the functionality of the PVC. This exercise must consider the manner in which the demands of the PVC, and the various requirements for housing formalisation – such as compliance with finance and building related policies - affects the affordability of housing. The project must identify barriers to entry within the PVC and how these might be lowered to enable beneficiaries of housing within affordable categories to participate in the PVC.

3.5 REDUCING BARRIERS AND COST DRIVERS FOR AFFORDABLE HOUSING

A decrease in grant funding, together with a rise in the number of households needing access to affordable housing, means that it has become imperative that the City work together with other development partners in enabling the development of affordable housing.

Affordable housing developers and Social Housing Institutions (SHI) play a critical role in diversifying the options of affordable housing opportunities within Cape Town. Given that affordable housing developers are susceptible to market forces in the form of land valuation and development costs whilst servicing a targeted low-to-mid range income earner, they face significant constraints in being able to develop products for their target markets, particularly in areas where land is more expensive.

The City recognises that some of these barriers can be addressed by City actions and incentives, which seek to reduce costs for affordable housing developers and SHIs, thus enabling affordable housing in the City. The section below outlines ways in which the City will enable affordable housing opportunities by SHIs and developers.

A. PROGRAMME OF LAND AND BUILDING RELEASE

Problem Statement

The State holds land reserves and buildings for the purposes of future development, or to support as yet unforeseen future urban needs, as well as a mechanism to generate revenue through asset disposal. Concurrently, the State needs to be cognisant of the Constitutional duty to enable the progressive realisation of the right to housing, especially considering the extent of the housing crisis affecting South Africa. It is thus imperative for the City to intervene in order to support sustainable future growth of Cape Town – of which an increase in affordable housing is key. As such, government in South Africa must do more to support affordable housing development by leveraging its own land and building asset register as a point of access for developers.

In responding to this and in order to enable long term affordability, the City will look to promote the integration of mixed-use zoning and mixed-income communities to cross subsidise the social housing or affordable housing portions of developments. Importantly, the prevalence of multiple land-uses and heterogeneous communities empowers the development of integrated communities with distinct economic possibilities buttressing them. The ability of social housing and affordable housing developments to cross-subsidise expenses with market housing or other land uses, is critical to the long term sustainability of affordable housing in the City.

A variety of housing programmes exist, via the prescripts of the National Government, to deliver housing that is classified as affordable and is targeted at households who earn less than R22 000 pm.

3.5.1 Proposed Solutions

In order to drive programmatic and predictable release of land and buildings in support the development of housing targeted at the GAP market, the City must:

- (a) Develop systems and procedures for the discounted lease and sale of land and buildings for affordable housing and social housing developments;
- (b) Identify selected City-owned sites (as well as non-City owned sites) within TOD precincts that can be released to the private sector with the express purpose of developing housing targeted at the GAP market;
- (c) Sites should include problem buildings and under-utilised municipal sites or portions thereof, including unused or under-utilised open spaces like golf courses;
- (d) Where the City is unwilling to sell the land or building, it must consider the alternative option of entering into a long-term lease agreement with a developer;
- (e) Develop a pipeline for the release of land specifically for the purposes of developing housing for the GAP Market, that is aligned to the CLP.
- (f) The release of land and buildings must be predicated upon the development of integrated human settlements. Thus, release must be supported by mixed-use land-use models, mixed income developments that support high density within the urban form (as outlined in the IRDP).
- (g) Investigate mechanisms to maintaining the affordability of units developed utilising City land or buildings and/or incentives to ensure that these are not lost to the market

A pipeline of land and building release should be programmatic and transparent so that developers are aware of the City's intent and can plan accordingly. Transparency and predictability reduce the non-construction costs associated with affordable housing development.

A key element of the above programme of land and building release is to resolve the legal uncertainty around discounted land and building release to affordable housing developers, particularly where components of mixed-income and mixed-use developments are enabled. Currently the Municipal Asset Transfer Regulations process does not provide an enabling legal framework for this to take place. This creates legal and organisational uncertainty in how land and building release takes place.

In order to reduce the non-construction costs of the developer, the City will:

- (h) Develop capacity to undertake feasibility and project packaging for all key sites so that developers are aware of expectations ahead of the land release, and so that City officials are able to process submissions more rapidly;
- (i) Proactively zone land parcels prior to release to support mixed-use development;
- (j) Investigate means of reducing the initial bulk costs liable by affordable housing developers and SHIs, potentially through deferring Development Contributions payments.
- (k) Investigate other incentives within its control that reduce non-constructive costs.

Finally, **to assist a balanced typology of housing options**, the City must:

- (l) Consider the affordable/ GAP housing mix necessary for each site;
- (m) Determine ideal tenure typology for developments;
- (n) Engage with financial institutions and Provincial Government in order to ensure the take up of the FLISP programme;
- (o) Include this within the pre-conditions necessary for the developer to accept sale/ transfer of the land or building.

Figure 26 Example of Old Conradie Hospital development, Pinelands

In 2019, the old Conradie hospital site was released to private development to facilitate a R3 billion undertaking, which will include subsidised housing units and affordable housing units for families who earn between R1,500 and R22,000 per month. In total, 3 602 residential units will be developed - of which 1,764 will be grant-funded, affordable units. The site will contain a mix of uses, social facilities and will be developed through a partnership between the WCPG, the City, and the private sector. This proposed development will offer 10 000m² of retail space and 14 500m² of commercial space to stimulate business growth in the area.

B. SOCIAL HOUSING PROGRAMME

Problem Statement

The City has an established programme of supporting Social Housing Institutions (SHIs). Over the years, this has helped unlock well-located pieces of land for long-term affordable rental housing, while simultaneously contributing towards urban regeneration as a result of under-utilised well-located land or buildings being developed into well-maintained and integrated social housing developments.

Social housing is a key programme as it remains the only programme in the National Housing Code that enables well-located, high density affordable housing which is financially sustainable, and has a well-established operational model.

This programme is also strategic in that when a precinct approach to development is envisaged (multiple projects in targeted neighbourhoods), social housing can act as a 'buffer' against the displacement caused by gentrification, or as a catalyst for urban regeneration in areas that have experienced urban decline.

SHIs, who are entrusted with the responsibility of developing and managing social housing in terms of the Social Housing Act (No. 16 of 2008), are nationally regulated by the Social Housing Regulatory Authority (SHRA). The Social Housing Act also allows private developers with experience in affordable rental housing to also perform this function, referred to as Other Delivery Agents ("ODAs"). In both instances, the said parties receive land price discounts and capital funding towards the construction of affordable rental housing which facilitate the viable delivery of social housing in social housing Restructuring Zones. However, they are reliant on rental collections to maintain operational costs which means that the margins for operational sustainability are very slim. It is here that the City can intervene through providing clarity on incentives and land/building release to support long term social housing sustainability.

3.5.2 Proposed Solutions

The following initiatives are means by which the City can enable affordable rental housing, developed and managed SHIs:

- (a) The City must interrogate the model by which it supports the strategic packaging, property release, and development approval necessary to aid the funding models of SHIs. If a strategic model cannot be achieved within the current organisational structure of the City, additional human resource capacity around project packaging and financial modelling, amongst other factors, need to be introduced to strengthen the City's Social Housing Unit.
- (b) The City has partnership agreements with SHRA accredited SHIs which provide the City with reliable partners that can undertake the efficient and effective delivery and management of stock within the National Social Housing policy framework. Fully accredited SHIs are able to enter into competitive processes to develop City land for social housing. The chosen partner is awarded site development rights, a freehold transfer of land/buildings if the development is under the SHRA regulations, as well as incentives for the development as agreed to in terms of partnership agreements. In return, the City benefits from having well-managed, financially sustainable, well-located affordable rental housing that meets the density requirements of the MSDF. Upon expiry of the existing partnership agreements in July 2022, this process will be reviewed based on lessons learned to date, and will be amended to ensure the effective implementation.
- (c) Clarifying land release mechanisms is a priority (as mentioned above), particularly as it relates to mixed-use and mixed-income developments, so this can unlock more financially sustainable and integrated social housing developments.
- (d) Investigate further incentives for SHIs to enable financial viability of developments; particularly those that meet the City's density requirements.
- (e) Improving land use processes and project packaging to streamline development processes.
- (f) Develop a Social Housing Policy to outline how the City implements the programme in light of the above factors.

Interventions

Chapter Four: The City as a Regulator of human settlements

This Chapter outlines the City’s role as “Regulator”: regulating the basis by which housing development occurs within Cape Town to ensure healthy and safe human settlements, whilst also reducing the barriers which prevent the production of housing at the required scale and cost to meet demand.

This chapter is fundamental to the HSS as the state can no longer support the development of affordable housing on its own. In this chapter the City considers its regulatory practices to understand their impact upon the private sector and how these might curtail or support delivery of affordable housing opportunities. This is reviewed in relation to the allocation of title deeds, advisory services in navigating the MPBL and the DMS, and regulatory support for types of affordable housing provision.

Chapter breakdown:

- 4.1 Formal Housing Tenure
 - A. Transfer of tenure rights & regularisation of beneficiaries
- 4.2 Local Planning Support Office
- 4.3 Backyarders
- 4.4 Micro-developments
- 4.5 Inclusionary housing
- 4.6 Reducing the factors that drive up the costs of producing a house in the formal market

City Roles and Responsibilities:

- Ensure historical and present-day transfer of tenure right to beneficiaries of BNG housing;
- Seek to regularise housing beneficiaries;
- Establish development support systems via Local Planning Support Offices;
- Provide clarity on the development regime of backyarders;
- Develop sector support mechanisms for micro-developers;
- Build the regulatory framework for the roll-out of an inclusionary housing regime;
- Ensure that the City’s building development procedures support the production of affordable housing units.

Public Roles and Responsibilities

- Engage in the beneficiary regularisation requirements;
- Utilise the advisory service of the LPSOs and adhere to the requirements of the DMS;
- Adhere to the principles regarding access to basic services for backyarders.

Private Sector Roles and Responsibilities

- Utilise the advisory service of the LPSOs and adhere to the requirements of the DMS;
- Adhere to the principles regarding access to basic services for backyarders;

- Leverage the development assurances provided to micro-developers for additional entrepreneurial opportunities;
- Engage effectively with the City's Inclusionary Housing regime;
- Engage effectively with the City's DMS opportunities for affordable housing producers.

4.1 FORMAL HOUSING TENURE

There are a wide variety of property rights and tenure options in existence within the Cape Town property market. Extending from formal lease agreements (rental) to freehold ownership (title deed to the property) to informal occupation documentation (affidavits/ confirmatory documents etc.).

The City recognises ownership via the transfer of ownership, evidenced by a title deed, which it distributes through its various human settlements programmes (BNG, saleable rental units, delayed transfer sales). The City has also piloted the allocation of tenure certificates to beneficiaries of re-blocking initiatives via the ISUP, as discussed in Chapter 2 of the HSS (see the below example of various security of tenure initiatives undertaken by the City).

Figure 27: Current City of Cape Town initiatives to advance Tenure Security

At a household scale, there are a number of policy and practical initiatives underway to remedy and advance tenure security within the City. The following examples are indicative of commitments made to support new settlement initiatives for both individual households and social housing institution partners.

Tenure certificates: In partnership with the Violence Prevention through Urban Upgrading (VPUU) non-profit company, the City has issued Tenure Certificates to 80% of the 6,480 families in Monwabisi Park prior to the implementation of a ISUP project (as described in “Security of Tenure” in chapter 2 of the HSS). The certificates have been introduced to enhance the sense of security of tenure enjoyed by the resident households on a GIS registered plot. This confirms the size and configuration of plots and builds community ownership of the project as well as preventing further unplanned densification which can compromise the deliverability of the project.

The tenure certificate does not imply ownership and does not constitute a title deed. Once the land use application is approved, a process of sub-division can begin with the end goal being the eventual transfer of ownership and handover of title at as early a stage as possible. Title can be transferred from the City to the benefitting individual upon receipt of a serviced site and wet core. This allows top structure development as soon as the owner has the resources to do so.

This approach to tenure reform and progressive ownership is being discussed with other NGO partners like Community Organisation Resource Centre (CORC) to plot existing “erven” electronically and upload onto a GIS application for the purposes of widening the scope and reach of the programme.

Leasehold to Freehold title conversion: Under a directive from the State Attorney’s Office leasehold titles will be converted to freehold titles in all former townships directly benefiting existing leasehold tenants. Within the City this directive will impact on 2,400 serviced-site plots that are still to be finalised.

Issuing of Title Deeds on project completion: In October 2017, Council approved the guidelines and the establishment of a dedicated unit to manage the transfer of ownership to beneficiaries of historic housing projects. The biggest challenge with historic housing developments is that it is often nearly impossible to trace some of the legal or original beneficiaries of these houses for a variety of reasons. Accordingly, the City’s Human Settlements directorate has developed a set of solutions to deal with the complex home ownership transfer issues, depending on the individual circumstances, and is in the process of capacitating the unit. The unit will also manage the transfer of ownership to those who benefit from new and current state-subsidised BNG houses. This is to prevent backlogs forming, and to ensure that due process is followed in the transfer of ownership and subsequent issuing of formal title to these new home-owners.

The City’s guidelines for addressing ownership regularisation were adopted by the Provincial Department of Human Settlements, and signed in to Provincial Policy in October 2018. The Policy will do much to address

ownership creation, but will not be a 100% fix as there are many poorer occupants who will still not be able to afford the costs of formalizing their occupancy. For this, the City has to look further than a 'regularization policy'; a subject addressed in the below solutions.

A. TRANSFER OF TENURE AND REGULARISATION OF BENEFICIARIES

Problem Statement

RDP/BNG housing developments cannot be transferred where the occupant is not the original subsidy beneficiary. Within historic subsidised housing developments across the City, thousands of people are occupying properties without a registered title deed in their name, or even to the specific property.

Application of current legislation where the occupant is not the beneficiary will most often result in costly litigation and possible eviction of many occupants. In the approximately 25 000 affected erven in City historic developments, the original beneficiary is no longer in occupation of the said property, especially for earlier developments dating back to the 1990s. This is due to informal sales, death, illegal or hostile occupation and administrative errors.

It should be noted that the longer the period of occupation, the more difficult it is to track the transfer interactions of the property, and the more problematic the regularisation solution. Roughly, 70-75% of the RDP regularisation cases entail this extent of complexity. This is further complicated by the fact that thousands of such subsidised houses are now occupied by people who might not necessarily qualify for a housing subsidy, and many more that could be subject to competing claims of informal buyers, family members, and heirs of deceased beneficiaries.

The current subsidy structure only allows for transfer of a subsidised unit to the original beneficiary, as opposed to the occupant. These beneficiaries have generally sold the property informally, and the occupants are thus hindered by the formal land registration process in becoming registered owners. Informal disposal of property will thus continue, unless the City puts a mechanism in place to alleviate this problem.

4.1.1 Proposed Solutions

The City believes that transacting within the housing market is fundamental for households to realise the value of their housing assets. However, in order to ensure that transactions take place within the formal market (where predictable value and transaction support should exist), access to title deed and formal recognition of ownership is vital. The City has developed a set of guidelines to address the tenure rights backlog currently plaguing the system⁵⁵.

Implementation of the guidelines has been assisted by the formation of an internal unit to address the backlog as well as monitor title deed transfers accruing from current subsidised housing developments. However, this unit requires capacitation and organisational support in order to implement the guidelines effectively. As such, the City must:

- (a) Fast-track the transfer of title deeds to historical beneficiaries of specified properties held within the City's name, where transfer has been delayed or stalled;

⁵⁵ These guidelines are supported by the Western Cape Provincial Government (WCPG)

- (b) Ensure the deployment of a professional staff complement to assist, guide and advise the public on ownership and regularization options, administered via a Local Planning Support Office (LPSO);
- (c) Enter into partnerships with other actors that support housing and beneficiary regularisation, and entry into the formal housing market;
- (d) Review the data components of the City's Property Value Chain (PVC) in order to understand the barriers to entry for households attempting to become regularised within the housing system;
- (e) Establish clear methods for data collection and beneficiary identification and develop innovative beneficiary management processes and systems;
- (f) Develop Systems and Procedures for validating non-qualifiers in order to support regularisation and access to the City's PVC, in the absence of a title deed or accurate title deed data;
- (g) Orchestrate a transversal City forum that supports regularisation of non-qualifiers;
- (h) Ensure that professional capacity exists to actively avoid the creation of fresh backlogs resulting from current housing developments by monitoring the legal and township establishment processes in these new developments;
- (i) Hold regular community engagement and participation opportunities so that stakeholders engage in the problem-solving component of tenure regularisation;

Where regularisation cannot take place due to the financial reach of occupants, or where it is not clear who should become the formal owner of a property (familial disputes, and transfer to one individual could allow possible eviction of other vulnerable occupants later on), the City must look at alternatives solutions

- (j) One possibility is that the City consider leasing the erven to the occupant on a long-term basis. In this context, "erven" refers to the land portion only, excluding any developments. An option to purchase can be included in the agreement for the occupant or his successor in title to purchase the property, when he/she is able to do so. If they require surety to a financial institution, the occupant can then register this lease in the Deeds Office.

Benefits of the leasehold option:

- security of tenure exists;
- the City can determine who is residing in its property;
- service fees can be properly collected;
- there should be a decrease in the rate of informal property trading as the occupant could simply cede his/her interest in the lease to a third party. The transaction would be a simple administrative procedure that could be offered by the City for a reasonable administration fee;
- A title deed is obtained, which can be used as security at a financial institution, in much the same way as a title deed to a normal freehold property.

This solution is time bound; a long term lease does not offer the rights of unencumbered ownership. At the end of the lease period, all rights on the property do revert to the lessor. Whilst the City's long-

term aim is to support the purchase of the properties by their occupants, this short term measure will at least support security of tenure and offer a long-term tenure regularisation option.

- (k) **As with enacting the guidelines**, the lease-hold tenure on unregistered RDP housing requires dedicated staffing capacity (or the assistance of housing partners), and the establishment of a process enabling the public to seek effective guidance and assistance from the City (as administered by a local housing office).

4.2 LOCAL PLANNING SUPPORT OFFICES

Problem Statement

An inclusive development management system is crucial for growing the number of formal, regularised homes within the housing sector. However, due to historical dissonance and the lack of clear regularisation guidance at a national level, regularising existing developments that operate outside of the MPBL and the NBR is made incredibly complex. Additionally, homeowners who do not have title deeds associated to their properties are excluded from operating within the formal housing market on account of being unable to submit building plans or legally sell their homes. These housing assets and these home owners are deprived the opportunity to leverage their homes as economic, financial, and social assets by not being included in the formal system.

In order to unlock the potential of these housing assets and empower the home-owners to utilise them as such a proactive method of advisory regularisation support is proposed.

4.2.1 Proposed Solutions:

Local Planning Support Offices:

Development application processes can be confusing. They require adherence to prescriptive legislation, observing a language which is not inclusive, they involve numerous approval steps, they are time consuming, and they require an acumen which is sector specific. The cost of an exclusive development application process is that people turn from it, opting for informal upgrading instead. This is equally prevalent to neighbourhoods defined by formal buildings as it is to those determined by informal dwellings.

This HSS proposes the **establishment of Local Planning Support Offices (LPSO)** to enable an advisory planning regime rather than a prohibitive one.

- (a) LPSOs are to be devolved across communities, and established in communities, to ensure that they are numerous and accessible.
- (b) They will reflect the needs of their communities; drawing on the skills and context of the neighbourhood in which they are housed, so that communities can be actively involved in upholding standards of best practice.
- (c) They must be capacitated by locally trained artisans and professional built environment support.
- (d) For residents wishing to formally upgrade their homes but are uncertain of how to do so, LPSOs will offer guidance and access to basic building plans.

- (e) LPSOs will offer advisory services on development applications (ranging from informal dwelling upgrading to formal building extensions or planning – depending on the context of the neighbourhood in which they are established).
- (f) LPSOs will provide information on accessible housing finance options, focusing particularly on the government subsidies available. However, reputable private sector financing houses should be encouraged to engage with LPSO to facilitate information sharing relative to housing finance.
- (g) The efficacy of LPSOs is premised on partnerships and engagement. As such, LPSOs offices will offer opportunities to local universities, other higher education institutions, and professional bodies for conveyancers and draftsmen/architects to provide entry level services to those who are entering the formal housing market processes for the first time.
- (h) They are to act as multipurpose community development focal points; offering building support, registration for security of tenure rights, application to the City’s Housing Needs Register, and connectivity to the City’s urban management support services.

4.3 BACKYARDERS

Problem Statement:

The City has encouraged the proliferation of backyarders as a viable means of creating housing opportunities, but has not developed a framework for their management or a means through which they might achieve formal building compliance (and recognition as a formal structure).

Broadly, backyarders are distinguished between three categories:

- Backyarders on Public Housing sites;
- Backyarders on private property;
- Backyarders in informal settlements

Backyarders require compliance codes that support their development as safe and viable structures. Furthermore, the City has an obligation to ensure that backyarders receive access to basic services, irrespective of who owns the property of their location. Finally, backyarders must form part of the City’s urban management intervention to enable progressive development.

4.3.1 Proposed Solutions:

- (a) The City will establish a **policy framework for the administration of backyard structures**. This framework will distinguish between the three categories of backyarders. For each category the City will set out mechanisms for considering basic service access for backyarders, the extent of basic service provision, and incentives for supporting best practice building standards amongst backyarders.

Policy Statements for Backyarders on Public Housing Sites

- i. It is the City’s desire that all backyarders have access to water, sanitation, electricity, and refuse removal services. If services are not provided via the main dwelling, the City will ensure that access to water is provided via a stand-point, that sanitation services, refuse collection services and access to electricity are provided. The City will establish minimum standards in this regard.

- ii. The City will develop a backyarder servicing implementation programme as part of the role out of the HSS.

Policy Statements for Backyarders on private property

- iii. The City must develop incentives and disincentives that compel the main dwelling to provide service access.
- iv. Utilising tools such as the CLP, the City must ensure that bulk infrastructure capacity exists in current and anticipated areas of high backyarding.
- v. For backyarders in semi-formal areas: The City will support the development of standard backyarder building plans, compliant with the prescripts of the NBR, and to be made available at LPSOs. These plans will include climate conscious design standards to support rain-water collection and permeable paving, and mitigate against the creation of urban heat islands through the retention and/or planting of suitable trees and vegetation. Additional Information regarding compliance, building materials, and services will be made available at LPSOs.

Policy statements for backyarders in informal settlements

- vi. The City will develop a set of best practice building standards which will be made available for backyarders to utilise; in order to support the development of safe backyard structures (as outlined in chapter 2);

4.4 INCLUSIONARY HOUSING

The City is committed to dismantling the legacy of apartheid spatial planning, while simultaneously creating more affordable housing supply. SPLUMA also requires that the City consider spatial justice and spatial transformation in land use decision-making processes. One of the tools identified to support this objective is the development of an Inclusionary Housing Policy. Inclusionary housing is a mechanism to incentivise the private sector to develop well-located affordable housing – additional development rights are proactively granted, but if developers take up any of those rights there is a requirement to provide affordable housing.

Cape Town's housing market suffers from a lack of affordable, gap-market directed products, particularly in well-located areas. Households who would benefit from this housing product would be employed, income earning individuals and families - such as nurses, police, store managers and clerks – households who would otherwise not be able to access affordable housing products in well-located areas. Whilst it is acknowledged that an inclusionary housing policy will not produce affordable homes at scale, private sector development of these products will increase the supply of a much needed housing product within Cape Town. Harnessing the power of the private sector to support spatial inclusion means that the development occurs in locations that would not have been available to gap market income earners under a business as usual approach. Furthermore, the private sector is able to execute on projects by drawing on efficiencies which aren't available to public sector ventures, meaning that housing opportunities are produced faster than if they were delivered by the State.

An inclusionary housing policy development process will outline incentives that the private sector can access when they include affordable housing as part of market rate developments. Targeted incentives

and evidence-based policy choices will ensure that the financial viability of developments is not negatively affected.

Several policy trade-offs must be investigated by the City in designing its Inclusionary Housing Policy. Amongst others, these include:

Figure 28: Policy considerations and trade-offs for an inclusionary housing regime

Policy position	Cost/ trade-off
<ul style="list-style-type: none"> Inclusionary housing that is affordable in perpetuity ensuring that GAP housing products are always available to the target market. 	<ul style="list-style-type: none"> Costs associated with continued monitoring and oversight of units by the City administration to ensure that affordability criteria are upheld; Associated costs for screening applicants to ensure that they don't exceed the targeted income levels.
<ul style="list-style-type: none"> Inclusionary housing that is affordable at the time of development, only. 	<ul style="list-style-type: none"> The benefit of affordable units to future generations is lost after the expiry of a mandatory re-sale freeze.
<ul style="list-style-type: none"> Affordable housing contribution is expressed by affordable units developed on-site as part of the market rate developments. 	<ul style="list-style-type: none"> Economic realities of development costs suggest that households benefitting from on-site options would likely be in the upper end of the GAP income spectrum; Contrastingly, a fees in lieu option could be paired with existing government subsidised housing programmes (e.g. social housing) in order to cater for households earning a lower monthly income.
<ul style="list-style-type: none"> Affordable housing contribute is expressed through a fees in lieu option which can be held by the City specifically for the development of affordable housing 	<ul style="list-style-type: none"> The City continues to act as the primary developer of affordable housing and the efficiencies of private sector delivery are not captured; Spatial justice aspirations, asserted by on-site delivery of affordable housing is largely forgone.

The Inclusionary Housing work has entered the City's policy process, the drafting of which will include a public participation period and may result in the adoption of an Inclusionary Housing Policy by Council.

4.5 PROMOTING THE ACTIVITIES AND PRACTICES OF MICRO-DEVELOPERS

Micro-developers are developers of affordable rental units, traditionally in townships or former townships. In the City of Cape Town, they are also referred to as Small Scale Rental Units (SSRUs). Whilst traditional financing (through financing institutions) is available to micro-developers, their development funding is also sourced via alternative means. The scale of housing delivery by micro-developers ranges from the provision of backyard units to the transformation of single residential units into multiple rental units operating from a single erven. This section focuses specifically on

SSRUs/ micro-developments which occur on private property, rather than those located on City property, and which are treated as private sector development applications.

The City sees enormous value in micro-developers being able to supply housing at scale within an affordability bracket not usually targeted by traditional developers.

Problem Statement

Figure 29: Constraints for micro-developers:

Barrier	Need
Finance	Appropriate financing mechanisms; Property finance at affordable interest rates, financial institutions that are active in their support of the township economy (and spatial transformation as a medium-to-long term necessity).
Infrastructure	Infrastructure capacity to accommodate additional units that are developed.
Formal Building and Land Use Regulations	Land-use regulations that allow for multiple land-uses as of right (encouraging density), a building regulations which are consistent with the prescriptions of the NBR, that support structural stability and safety of occupants, and that consider alternative design and building techniques.
Submission process	A submission process that is advisory, easy to follow, quick to turn around, and affordable.
Tenure Security	Acknowledged tenure identification for the property owners/ occupants in order to access financing, infrastructure connections, and development permissions.
Land	Access to smaller pockets of land within existing township areas to support incremental developments.

4.5.1 Proposed Solutions

Finance:

- (a) Whilst it is not within the City's ambit to directly finance micro-developers, it is able to encourage access to financing by clarifying the administrative requirements, providing guidance through the building plan approval process, and ensuring the urban management provisions that position these developments as worthwhile investments for investment institutions.
- (b) The City will look to partner with organisations that support housing regularisation and entry into the formal housing system.
- (c) Financing institutions have conducted exploration into home-loan provision at lower income levels. The City will identify and engage these institutions on their requirements for development financing so as to understand the means in which the municipality might support the relationship between developer and financing institution.

Infrastructure:

- (d) New infrastructure should always be installed with the assumption of densification, as the additional cost is minimal in comparison to upgrading down the line. Funding for this foresight, if not committed to national grant spending, must be investigated via alternative urban financing mechanisms. As such, the City needs to reaffirm its value proposition and funding envelop for infrastructure upgrades in areas where micro-developers are able to have the greatest impact, by presenting a sequenced infrastructure growth management programme. This needs to be reflected within a City of Cape Town Infrastructure Strategy.

Regulations, land-use, and the development application submission process:

The City's interventions must align with the MPBL and the NBR and cannot contradict the prescripts of law. However, the City will work within this ambit to support the micro-developers in submitting their applications and receiving favourable determinations. This will be undertaken in the following means:

- (e) The City will re-consider the development conditions and processes which are imposed on micro-developers, specifically targeting:
 - Minimum floor size required;
 - Minimum plot size and shape;
 - Parking requirements;
 - Appropriate zoning application and incremental development options (including the application of an appropriate overlay zone);
 - Sustainable and resource efficient building design;
 - Standardised, typical building plans;
 - A fees structure that incentivises engagement with the planning regime;
 - The construction materials required and façade standards that need to be upheld;
 - The cultural dynamics that may influence the design of a home.
- (f) The City will review the existing administrative procedures for development management applications specifically for micro-developers, utilising the prescripts of the LPSOs (ensuring clear terminology, defined role-players, and the requirements of each process step outlined).
- (g) Additional support for micro-developers (such as the availability of standardised building plans and recommendations around compliance requirements) in interpreting the development management process will be made available through LPSOs.
- (h) The City will review the land-use determination in spatial areas where micro-development activity is encouraged (TOD precincts, and urban nodes with high semi-formal residential densities). Land-use prescription should permit additional dwellings, incremental development, and mixed-uses where appropriate. This must be retroactively applied to identified areas to support regularisation of existent activities.
 - Aside from proactively zoning specific areas to support micro-development as of right, the City will investigate introducing split zoning to accommodate multiple units in the backyard (e.g. re-zone the backyard part to General Residential) in areas where formalisation is sought.
 - The City will consider introducing permission for economic activities within areas of high micro-development activities, proactively allowing for house shops, taverns, and other commercial activity. Areas must be identified and annually published by the City.
- (i) With the support of its partners, the City must aim to establish a database of accredited contractors for distribution to would-be developers to support standard and safe building practice.

- (j) Leveraging the information provided by the LPSOs, the City will support that initiation of micro-developers forum to encourage reliable communication channels between the administration and the burgeoning sector, support a responsive policy environment, and introduce potential partnerships with established development agencies.

Land:

- (k) The City will review its land holdings, targeting unutilised public open spaces which take the form of “pockets parks” and pedestrian lanes. These land holding should be released (accompanied by proactive land-use rights) to willing micro-developers as sites for the development of infill affordable housing. Where unutilised public open space can be revitalised and maintained to create safe, multifunctional and green open spaces this should be considered in order to create an adequate number of quality public open spaces for the particular community.

Figure 30: Example of micro-developer support

The Development Action Group (DAG) launched a Contractor and Developer Academy in order to train and develop emerging contractors and micro developers to deliver quality housing solutions. The programme facilitates infill backyard rental solutions and greenfield site developments by providing homeowners design and planning support, access to finance and forward planning to allow for rental units behind RDPs.

4.6 REDUCING THE FACTORS THAT DRIVE UP THE COST OF PRODUCING A HOUSE IN THE FORMAL MARKET

A. CONSTRUCTION AND NON-CONSTRUCTION COSTS:

Problem Statement:

Affordability is a function of a household’s ability to pay for a home. The formal housing deficit experienced by residents is due to housing prices exceeding income levels. For housing suppliers, several factors dictate the level at which a price is set for a home. Whilst some factors are market specific, some relate to unavoidable costs which are fundamental to producing a house. The Strategy distinguishes between construction and non-construction costs experienced by housing suppliers:

Figure 31: Construction and non-construction costs for residential developers

Construction Costs	Non-Construction Costs
<ul style="list-style-type: none"> • Building materials • Labour costs • Service Connections (and development contributions in lieu of bulk infrastructure) 	<ul style="list-style-type: none"> • Land • Building Plan Approval • Land Use Approval • Environmental Approval

The forces of supply and demand dictate that a greater quantum of formal housing opportunities will increase the affordability of housing within the market. It is within the City’s ambit to address some of these costs so that a greater supply of formal housing opportunities may be available to residents of Cape Town.

4.6.1 Proposed Solutions

Construction Costs

- (a) The City will plan for density in areas where it anticipates greatest demand for affordable housing; using the planning monitoring tools at its disposal (DSDFs, CLP, ECAMP, SRT, SCOT). To support reduced connection fees, the City must commit to a bulk infrastructure plan which pre-empts density and allows for the assumption of multiple dwelling rights.

Non-construction Costs:

- (b) Via its Development Management Scheme, the City has allocated additional dwelling rights to properties within high density, TOD areas to encourage home-owners to supply housing opportunities. The Development Management Scheme is reviewed regularly. The City must progressively enable additional development rights within priority areas to align with bulk-infrastructure provision. Enabling additional development rights could in, some cases, be conditioned, for instance if an inclusionary housing policy was implemented.
- (c) The City must align the objectives of reducing non-construction costs for affordable residential development to its sub-national ease of doing business indicators.
- (d) Transparent publication of target areas for additional rights and bulk infrastructure investment, prior to their promulgation, must support private sector decision making around property investments. The City's draft Infrastructure Strategy must enable the transparent allocation of long-term bulk provision within Cape Town.
- (e) The City must develop a conducive monitoring system for determining the assumption of additional property rights by residents, and the impact upon existent bulk infrastructure. The system should align to the current Development Application Management System (DAMS) that the City operates; allowing for immediate and widespread extraction of data. This system should be publically available to support private sector property investment decision making.
- (f) The processing times around building applications, land-use and consent-use applications cause major construction delays; exacerbating the total cost of a development and impacting upon affordability. This impact is felt by all users within the housing market. The City must address unnecessary planning delays as a matter of priority, challenging itself to achieve application turn-around alongside international best practice. This will also be investigated as an incentive as part of the inclusionary housing policy development process.

In order to do this, the City should consider:

- Drastically increasing the staffing capacity of City planners, or drastically reducing the time spent by staff on administrative penalty cases;
- Distinguishing between the various types of housing applications (SHIs, micro-developers, developers, additional dwelling unit) so that these might be processed by specific teams;
- Utilising the creation of Local Planning Support Offices to ensure more informed application preparation prior to submission (so that applicants only need submit their plans once);

Affordability above the GAP market ceiling

In order for the economy of Cape Town to grow, the city needs to be seen as an attractive place for talent to locate to and invest in. Affordability of housing prices also effects entry level professionals and civil servants who fall outside of the GAP market bracket (police officers, teachers, medical personnel). What happens in one portion of the human settlements system is likely to impact upon another; Cape Town's housing problem is not contained to a lack of supply at lower income levels, alone. Measures should be considered to:

- Enable greater housing supply within the Cape Town market;
 - Support housing affordability for those income earners who earn above the GAP market ceiling but cannot afford to reside close to areas of tertiary sector employment.
- (g) The City will consider responses to phenomena that influence rental opportunities within Cape Town at higher income levels, such as short-term rental platforms like Air BnB and Safari Now. The City will work with short-term rental platforms to institute a policy response to short-term renting which creates broad benefit within the housing system⁵⁶.
- (h) One manner of accommodating more affordable rental opportunities near business districts is through the construction of micro-units, which range in size from 20m² to 50m². In order for this to take prevalence, the City would need to review it minimum floor sizes for apartment blocks within areas of high tertiary sector performance.

⁵⁶ Short-term renting is also referred to as transient letting elsewhere in the City.