CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

INTEGRATED HUMAN SETTLEMENTS FIVE-YEAR SECTOR PLAN 2022/23 – 2026/27:

2023/24 Review

(Annexure to the IDP 2022/23 – 2026/27)

Contents

ABBREVIATIONS

BNG	Breaking New Ground
CCT	City of Cape Town
CRU	community residential unit
DSDF	District Spatial Development Framework
EPHP	Enhanced Peoples' Housing Process
FLISP	Finance-Linked Individual Subsidy Programme
HNR	Housing Needs Register
HSDG	Human Settlements Development Grant
HSS	Human Settlements Strategy
IDA	incremental development area
IDP	Integrated Development Plan
IHSSP	Integrated Human Settlements Sector Plan
IRDP	Integrated Residential Development Programme
ISUPG	Informal Settlements Upgrading Partnership Grant
IUDF	Integrated Urban Development Framework
MSDF	Municipal Spatial Development Framework
MTREF	Medium-Term Revenue and Expenditure Framework
PHSHDAs	priority human settlements and housing development areas
PHP	People's Housing Process
PRASA	Passenger Rail Agency of South Africa
SHIs	social housing institutions
SHRA	Social Housing Regulatory Authority
SHRZ	Social Housing Restructuring Zone
TRA	temporary relocation area
UISP	Upgrading of Informal Settlements Programme
USDG	Urban Settlements Development Grant

DEFINITIONS

"Affordable housing" – 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 000 per month. The City's Human Settlements Strategy (HSS) 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, and for this reason the Integrated Human Settlements Sector Plan (IHSSP) will lean on the same definition.

"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.

"Beneficiary" means an applicant, together with spouse/partner and dependants, who was selected for a housing project in accordance with the Allocation Policy: Housing Opportunities and was approved by the provincial Department of Human Settlements and registered on the housing subsidy system for a housing subsidy.

"BNG housing" refers to housing developed in terms of the Integrated Residential Development Programme (IRDP), which is fully funded by the state for qualifying persons via national housing grants. This housing typology is an ownership tenure model.

"GAP housing/market" refers to the shortfall or 'gap' in the market between residential units supplied by the state and houses delivered by the private sector. The GAP housing market typically comprises households who earn between R3 501 and R22 000 per month, and do not qualify for a full housing subsidy. However, these households are eligible for a range of partial housing subsidies and programmes.

"Greenfields Project" refers to a project occupying a Greenfields site or vacant land on which there is no pre-existing, legal occupants, and for which the City has discretion to select beneficiaries, provided they are eligible for the subsidy.

"Housing opportunity" refers to either a serviced site or a serviced site with a top structure offered to qualifying beneficiaries, and the tenure may be for ownership or rental.

"Infill housing" means the development of vacant or underutilised land parcels within existing urban areas that are already largely developed.

"Informal settlement" refers to an unplanned settlement on land that has not been surveyed or proclaimed as residential, consisting mainly of informal dwellings (shacks), and is characterised by informality; inappropriate locations; restricted public and private sector investment; poverty and vulnerability; and social, environmental and climate change stress.

"Monthly household income" means the joint gross monthly income of the applicant and/or his/her spouse or partner to be considered for eligibility of a housing opportunity.

"Resilience" means the capacity of individuals, communities, institutions, businesses, and environmental, economic, or social systems in a city to survive, overcome, adapt, grow and thrive, despite chronic stresses and acute shocks they experience.

"Security of tenure" refers to the assurance that a person/household is legally recognised in/on the property they occupy.

"Serviced site" refers to a plot or site demarcated in a general plan with individual municipal service connections, i.e. water and sanitation, which is usually funded by grant funding.

"Top structure" means a house that is constructed of brick and mortar or any nationally approved alternative building material.

"Well-located" refers to land that is in close proximity to economic opportunities, transport nodes, and social facilities.

1. LEGISLATIVE AND POLICY CONTEXT

1.1. INTRODUCTION

The Housing Act, Act 107 of 1997 requires that all municipalities must plan to facilitate the delivery of housing opportunities as part of their overall plan for their municipality. The aim of the Integrated Human Settlements Sector Plan (IHSSP) is therefore to outline the City of Cape Town's implementation plan in providing for the housing needs of its steadily growing and increasingly urbanised population. This plan outlines the vision and strategies of the City towards urban development and place-making through housing provision, and is an informant for the 2022/23-2026/27 Integrated Development Plan (IDP).

This document considers the context in which the Human Settlements Directorate implements interventions to develop and enable affordable housing. This includes the legal and policy framework governing what is permissible for the directorate's interventions, as well as an analysis of Cape Town's population and household indicators, and an analysis of the City's residential housing market highlighting key trends and delivery gaps that the directorate should consider when planning for the short, medium and long term.

Key strategic challenges that affect the City's integrated human settlements planning are highlighted, along with key spatial considerations for future human settlements interventions, and transversal touch points with other City directorates. Based on the contextual analysis, a proposed strategic intent is outlined with key objectives for the Human Settlements Directorate – not only for the five-year IDP cycle, but for the medium to long term as well. The strategic response to this is then highlighted, showing how the City of Cape Town's Human Settlements Directorate will implement interventions to meet the identified objectives.

Important note: The IHSSP primarily focuses on developing and enabling integrated human settlements for households that earn a monthly income of R22 000 and below – in line with the National Human Settlements Policy Framework and National Housing Code programmes.

1.2. APPROACH AND METHODOLOGY

The IHSSP is being developed as a component of the IDP and the City's Strategic Management Framework (SMF). The SMF is aimed at integrating strategic planning activities and products across the City of Cape Town in order to bring together a holistic, shared strategy that will enable integrated decision making and resource allocation. The development of the IHSSP will therefore not only comply with the requirements of the Housing Act in terms of which municipalities are obliged to facilitate the delivery of housing opportunities as part of their municipal plans, but will also create credible capital pipelines and operational models for human settlements development within the City of Cape Town.

This plan outlines the Human Settlements contribution to the City of Cape Town's five-year IDP for 2022/23-2026/27.

1.3. INTERNATIONAL AND NATIONAL FRAMEWORK

The following legislation and policy frameworks guide the development of integrated sustainable human settlements.

1.3.1. *The Constitution of the Republic of South Africa, 1996*

The City has a constitutional mandate, together with Provincial and National Government, to ensure that the right of access to adequate housing for all its citizens is realised. Section 26 of the Constitution states that:

- Everyone has a right to have access to adequate housing.
- The state must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right.
- No one may be evicted from their home or have their home demolished without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions.

The Constitution further describes that a municipality must strive "within its financial and administrative capacity" to achieve the following objectives of local government:

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organisations in the matters of local government.

Sections 24 (the right to an environment that is not harmful to health or wellbeing), 25 (the right to property), and 27 (the right to clean water) contain other embedded rights that are taken into account when considering the regulatory landscape for providing adequate housing within Cape Town.

1.3.2. *The Housing Act*

The Housing Act, Act 107 of 1997 supports the aims and goals of the Constitution and provides the mandate of the National Department of Human Settlements (NDoHS). The Act provides for the facilitation of a sustainable housing development process and further lays down general principles applicable to housing development in all spheres of government, including defining the functions of national, provincial and local governments in respect of housing development. Section 2 of the Housing Act compels all three spheres of government to give priority to the needs of the poor in respect of housing development.

It gives the City the responsibility for primary development (major housing development), sets out pro-poor policies and advises on how to achieve sustainability, integration, consultation, good

governance, empowerment, equity and the optimal use of resources. Section 9(1)(f) of the Act requires the City "as part of the municipality's process of integrated development planning, [to] take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction".

In addition, the NDoHS formulated the Housing Amendment Act, Act 4 of 2001 to the principal Act to give greater impetus to both the letter and spirit of section 156 of the Constitution. These amendments provide a legislative basis for:

- assigning the housing function to municipalities where appropriate; and
- compelling national and provincial government bodies to build the capacity of municipalities in order to facilitate assignments that are under consideration.

1.3.3. *Prevention of Illegal Eviction from and Unlawful Occupation of Land Act*

The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, Act 19 of 1998 provides for the prohibition of unlawful eviction and further provides procedures for the eviction of unlawful occupiers of land or properties, including the repeal of the Prevention of Illegal Squatting Act, Act 52 of 1951. In the context of growing informal settlements and the prevalence of urban evictions and unlawful land occupation, it is therefore crucial that the City of Cape Town ensures that due legal processes are followed when people have unlawfully occupied land or buildings.

1.3.4. *Spatial Planning and Land Use Management Act*

The Spatial Planning and Land Use Management Act, Act 63 of 2013 (SPLUMA) outlines guidelines for spatial planning and land use management in South Africa. It specifies the relationship between the spatial planning and the land use management system and other kinds of planning. It also ensures that the system of spatial planning and land use management promotes social and economic inclusion through spatial justice, spatial sustainability, spatial efficiency, spatial resilience and good administration.

1.3.5. *The National Housing Code*

The policy framework contained in the National Housing Code flows from the Housing Act, and guides the City's housing strategies and implementation parameters. The code sets out National Government's overall vision for housing in South Africa and provides guidelines on how to achieve it, and requires the City to conform to the policy parameters in order to access grant funding for human settlements. As such, it is a living document, enhanced as and when policy changes and evolves. The National Housing Code therefore contains key policy interventions that assist government in the implementation of sustainable human settlements and contains policy prescripts that should be applied by provinces and municipalities in the implementation of housing programmes.

1.3.6. National Development Plan

The National Development Plan (NDP) sets out a human settlements vision that, "by 2050 visible results from effectively coordinated spatial planning systems shall have transformed human settlements in South Africa into equitable and efficient spaces with citizens living in close proximity to work with access to social facilities and essential infrastructure". The NDP aims to eliminate poverty and reduce inequality by 2030 and identifies the role different sectors of society need to play in reaching that goal. Chapter 8 sets out the plan for transforming human settlements, stating five spatial principles for human settlement development, namely spatial justice; spatial sustainability; spatial resilience; spatial quality; and spatial efficiency. The implications of the NDP for human settlements relate to transforming previous spatial inequalities in the location and design of major future housing developments, as well as providing communities with a greater choice in housing solutions.

The NDP also identifies the transition to a low-carbon economy and sustainable resource management as one of ten priority areas, with the imperative to develop regulations towards net zero buildings by 2030.

1.3.7. Medium-Term Strategic Framework (MTSF), 2019 – 2024

The MTSF serves as a prioritisation framework aimed at focusing all government efforts based on a set of programmes. It defines the strategic objectives and targets of government over the five-year term and is the frame of reference outlining the government's main priorities for this period. The current target is to implement housing and human settlements transformation, social justice and spatial justice programmes in at least 94 priority development areas. The strategic focus of human settlements includes:

- Invest Human Settlements grants in priority development areas to promote spatial integration, transformation and consolidation.
- Accelerate the upgrade of informal settlements to improve the living conditions of households.
- Support the participation of low- and middle-income households in the residential property market.
- Increased access to adequate housing through:
  - o programmes for rental
  - o programmes for ownership together with tenure consolidation
  - o programmes to enhance access to affordable housing finance
  - o increased access to basic services and other neighbourhood infrastructure
- Strengthen consumer protection.

1.3.8. *National Spatial Development Framework (NSDF) 2050*

In terms of government policy, Chapter 8 of the NDP calls for the preparation of a "national spatial development framework". In terms of legislation, section 5(3)(a) of SPLUMA and sections 13(1) and (2) of the Act mandate the Minister to, "… after consultation with other organs of state and with the public, compile and publish a national spatial development framework", and review it at least once every five years.

The NSDF must, within the broader 'family' of strategic and sector plans of government:

- target and direct all infrastructure investment and development spending decisions by national sector departments and state-owned entities (SOEs);
- guide and align planning preparation, budgeting and implementation across spheres and between sectors of government; and
- frame and coordinate provincial, regional and municipal spatial development frameworks.

1.3.9. *The Integrated Urban Development Framework*

The Integrated Urban Development Framework (IUDF) is the government of South Africa's policy position to guide the future growth and management of urban areas. This policy is coordinated by the Department of Cooperative Governance and Traditional Affairs (CoGTA) and it seeks to foster a shared understanding across government and society about how best to manage urbanisation and achieve the goals of economic development, job creation and improved living conditions. As such, the vision of the IUDF is to create liveable, safe, resource-efficient cities and towns that are socially integrated, economically inclusive and globally competitive, where residents actively participate in urban life.

To achieve this transformative vision, four overall strategic goals are introduced:
- **Spatial integration**: To forge new spatial forms in settlement, transport, social and economic areas.
- **Inclusion and access:** To ensure people have access to social and economic services, opportunities and choices.
- **Growth:** To harness urban dynamism for inclusive, sustainable economic growth and development.
- **Governance:** To enhance the capacity of the state and its citizens to work together to achieve spatial and social integration.

The abovementioned strategic goals inform the priority objectives of the nine policy levers identified in the IUDF, which are listed below:

Table 1: Integrated Urban Development Framework policy levers

Policy lever	Description
LEVER ONE Integrated spatial planning	Cities and towns that are spatially organised to guide investments that promote integrated social and economic development, resulting in a sustainable quality of life for all citizens.
LEVER TWO Integrated transport and mobility	Cities and towns where people can walk, cycle and use different transport modes to easily access economic opportunities, education institutions, health facilities and places of recreation.
LEVER THREE Integrated sustainable human settlements	Cities and towns that are spatially equal, integrated and multi-functional and in which settlements are well connected to essential and social services, as well as to areas of work opportunities.
LEVER FOUR Integrated urban infrastructure	Cities and towns that have transitioned from traditional approaches to resource-efficient infrastructure systems, which provide for both universal access and more inclusive economic growth.
LEVER FIVE Efficient land governance and management	Cities and towns that grow through investments in land and property, providing income for municipalities that allow further investments in infrastructure and services, resulting in inclusive, multifunctional urban spaces.
LEVER SIX Inclusive economic development	Cities and towns that are dynamic and efficient, foster entrepreneurialism and innovation, sustain livelihoods, enable economic growth, and generate the tax base needed to sustain and expand public services and amenities.
LEVER SEVEN Empowered active communities	Cities and towns that are home to socially and culturally diverse citizens, who are actively involved in city life and committed to making South Africa work.
LEVER EIGHT Effective urban governance	Cities and towns that have the necessary institutional, fiscal and planning capabilities to build inclusive, resilient and liveable urban spaces.
LEVER NINE Sustainable finances	Cities and towns that are supported by a fiscal framework that acknowledges the development potential and pressures of urban spaces, manage their finances effectively and efficiently, and are able to access the necessary resources and partnerships for inclusive urban growth.

1.3.10. *Sustainable Development Goals*

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by all United Nations Member States (including South Africa) in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

Seventeen SDGs are identified, all of which are integrated as they recognise that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.

After the realisation that in 2008, for the first time in history, the global urban population outnumbered the rural population and that predictions indicate that two-thirds of the world population will be living in urban areas by 2015, it was time to call for a new 'urban millennium'. With more than half of humankind living in cities and the number of urban residents growing by nearly 73 million every year, it is estimated that urban areas account for 70 per cent of the world's gross domestic product and have therefore generated economic growth and prosperity for many.

In an attempt to address the important topic of sustainable cities and human settlements, a stand-alone sustainable development goal on cities and urban development was included in the 2030 Agenda, namely **Sustainable Development Goal 11: 'Make cities and human settlements inclusive, safe, resilient and sustainable'**.

'Promoting sustainable human settlements development' is also the subject of Chapter 7 of Agenda 21, which calls for:

- providing adequate shelter for all;
- improving human settlements management;
- promoting sustainable land use planning and management;
- promoting the integrated provision of environmental infrastructure: water, sanitation, drainage and solid waste management;
- promoting sustainable energy and transport systems in human settlements;
- promoting human settlements planning and management in disaster-prone areas;
- promoting sustainable construction industry activities; and
- promoting human resource development and capacity-building for human settlements development.

1.3.11. Other legislation

Other enactments that influence housing development and administration include the following:

- The Division of Revenue Act (annual Act)
- The Municipal Finance Management Act, Act 56 of 2003
- The Rental Housing Act, Act 50 of 1999
- The Consumer Protection Act, Act 68 of 2008
- The Social Housing Act, Act 16 of 2008
- The Housing Development Agency Act, Act 23 of 2008
- The National Environmental Management Act, Act 107 of 1998, as amended
- The Sectional Titles Schemes Management Act, Act 8 of 2011
- National Home Builders Regulations and Building Standards Act, Act 103 of 1977
- Municipal Finance Management Act, Act 56 of 2003
- Home Loan and Mortgage Disclosure Act, Act 63 of 2000
- Climate Change Bill, 2021
- Part X of the regulations published under section 17(1) of the National Building Regulations and Building Standards Act, Act 103 of 1977

1.4. PROVINCIAL FRAMEWORK

1.4.1. *OneCape 2040, 2012*

OneCape 2040 is an economic vision and strategy process for the Western Cape region. It aims to ensure an integrated approach to economic development and job creation that seeks to set a common direction to guide planning and action, and to promote a common commitment and accountability to sustained long-term progress. As such, OneCape 2040 is a plan that recommends a range of actions for all stakeholders, including all three spheres of government, the private sector, knowledge institutions and civil society.

1.4.2. *Provincial Strategic Plan, 2019 – 2024*

The Department of the Premier has identified five strategic vision-inspired priority themes to achieve its vision of 'a safe Western Cape where everyone prospers'. These themes are:

- Safe and cohesive communities;
- Growth and jobs;
- Empowering people;
- Mobility and spatial transformation; and
- Innovation and culture.

As a metropolitan City within the Western Cape Province, it is there imperative to consider these priorities when planning for human settlements development. The Western Cape Department of Human Settlements has committed to play their role by responding to 'Mobility and spatial transformation' as well as 'Safe and cohesive communities' by ensuring that planning for human settlement developments considers the safety of its beneficiaries within communities.

1.4.3. *Western Cape Infrastructure Framework (WCIF), 2014*

The aim of the WCIF is to align the planning, delivery and management of infrastructure, provided by all stakeholders, which includes national, provincial and local government, parastatals and the private sector. Although the Western Cape is well served with infrastructure, a large number of people live in poorly serviced areas where low or very low levels of infrastructure are available. In terms of human settlements, the WCIF has identified the following priorities to address deficits and the provision of infrastructure:

- Continue to provide basic services to achieve national targets;
- Diversify the housing programme, with greater emphasis on incremental options;
- Integrate settlement development, prioritising public service facilities in previously neglected areas;
- Improve energy efficiency in buildings through design standards;
- Consolidate management of state land and property assets for optimal use;
- Distribute health and education facilities equitably; and

- Innovate in the waste sector to increase recycling and reuse, including the adoption of energy to waste-to-energy in the longer term.

The desired shift in human settlements is towards a diversified housing programme, with more emphasis on incremental options, integrated settlement development and a range of occupancy (tenure) options, including social rental. The latter principles have been considered within the City's HSS.

1.4.4 Western Cape Inclusionary Housing Policy Framework

In November 2022, the Western Cape Government approved the Inclusionary Housing Policy Framework. This policy framework will help municipalities in the Western Cape to facilitate the inclusion of more affordable housing units in developments in our urban centres. This will be done in partnership with the private sector, creating more opportunities for people to live in better locations. The policy framework explains what inclusionary housing is, how it can support spatial transformation, where it can be utilised in the province, what the processes to follow are, who is responsible for what, and what the various policy considerations are.

1.5. CITY FRAMEWORK

1.5.1. Integrated Development Plan (IDP)

The IDP is the City's key tool for dealing with the real issues of households and communities in a strategic, developmental and delivery-oriented way. The IHSSP serves as an informant for the development of the City's IDP.

The City's current five-year IDP (2022/23 – 2026/27) is premised on a vision of hope, thus aiming to create a prosperous, inclusive and healthy city where people can see their hopes of a better future for themselves, their children and their community become a reality.

To turn Cape Town into South Africa's city of hope, the City must provide the foundation necessary to improve people's life chances and restore hope in our city's and the country's future. We must use the public resources entrusted to us to co-create a city that is more caring, more inclusive, more prosperous, more united, more respectful, more safe and more free.

The diagram below illustrates the six priority areas of the City over the next five years, which includes, amongst others, housing and access to basic services. These six priorities will rest on three foundations essential to realise 'A City of Hope'. These foundational principles focus on the City to become more resilient, a more spatially and inclusive City and to be a capable and collaborative City government.

Image 1: The IDP strategic plan, comprising priorities and foundations that support the vision of creating a City of Hope
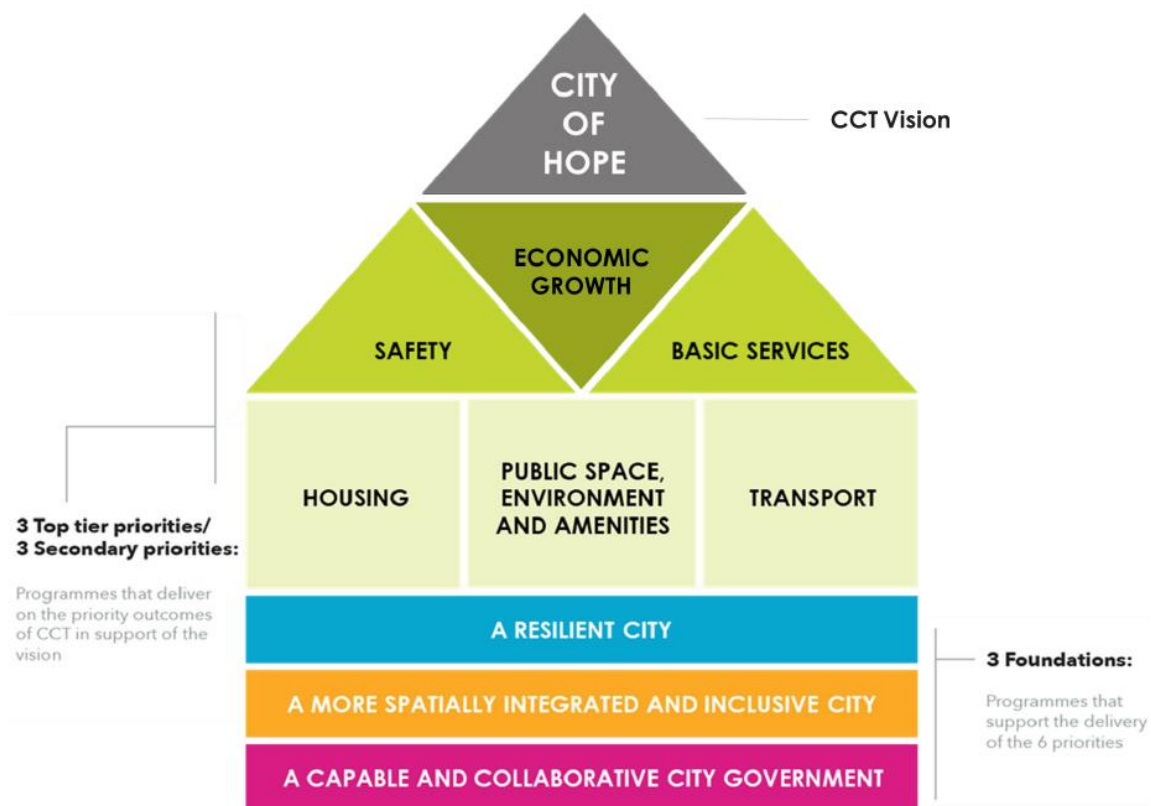
One of the key IDP priorities for the purposes of this sector plan is the housing priority that outlines two objectives, namely:

- Objective 7: Increased supply of affordable, well-located homes
- Objective 8: Safer, better-quality homes in informal settlements and backyards over time

The image below provides an overview of the commitments associated with the respective housing objectives and the programmes and/or initiatives that will give effect to these commitments.

Image 2: IDP Housing Objectives and Programme

HOUSING

Let's empower the private sector to increase the supply of affordable housing across the formal and informal markets

Commitments	Programmes and projects/initiatives
OBJECTIVE 7: Increased supply of affordable, well-located homes	
The City is committed to significantly increasing access to affordable and well-located housing. It will do this by supporting a housing market that can deliver at scale to meet the needs of Cape Town's population, and prioritising the release of City-owned land for affordable housing.	**Partnership for affordable housing programme** • Land and building release initiative • Social housing incentives initiative • Advocacy initiative • Inclusionary housing initiative • Finance-linked individual subsidy programme
The City recognises housing as a valuable social, economic and financial asset. The provision of secure tenure will be a key priority so that households can leverage the value of their housing asset to participate in the economy.	**Tenure security programme** • Subsidised housing tenure initiative • Public housing ownership transfer initiative • Informal settlements tenure reform initiative
The City will utilise its capital project and contract management capabilities to ensure that current subsidised housing projects are delivered efficiently and yield maximum benefit for housing beneficiaries.	**Integrated residential development programme** • Scaling up serviced sites initiative • Breaking New Ground programme • Enhanced People's Housing Process
The City will focus on maintaining its significant stock of Council rental units, tenancy management, as well as interventions that address community safety and persistent social ills in these housing developments.	**Public rental housing programme** • Maintenance of public rental stock initiative • Tenancy management project • Safety and stabilisation initiative
OBJECTIVE 8: Safer, better-quality homes in informal settlements and backyards over time	
The City will use its resources to improve the safety and quality of homes in less formal areas. Regulations and ways of working will be adapted to support the development of more and better-quality homes by all participants in the housing market – from the public sector and large property developers, through to micro-developers and households seeking to develop an additional dwelling on their property.	**Micro-developer and additional dwelling improvement programme** • Regulatory reform initiative • Local planning support initiative
The City will improve basic services to informal settlements to support a healthier and more liveable environment. It will also work with communities to improve the layout and quality of buildings for better community safety and resilience.	**Informal settlements upgrading programme** • Informal settlements upgrading initiative • Informal settlements data improvement initiative

The IHSSP takes into consideration the latter priorities and foundational principles in respect of the commitments to mainstream basic service delivery to informal settlements and facilitate the development of affordable housing by public and private actors in well-located areas of the City. The details of how these commitments will be implemented over the course of the next five years will be discussed in more detail in section 4 of this plan.

1.5.2.   Municipal Spatial Development Framework (MSDF)

The amended City of Cape Town Spatial Development Frameworks, namely, the Municipal Spatial Development Framework (MSDF) and District Spatial Development Frameworks (DSDF's) inclusive of Environmental Management Frameworks (EMFs) were approved by council on January, 26 2023. These frameworks have been amended to reflect and incorporates update from recently approved City strategies, the new realities and considerations brought about by COVID-2019, demographics and land use projections, implications of rapid urbanisation in land, housing and service delivery issues, Public transport challenges (road & rail – rail in particular), Environmental considerations and long term sustainability and resilience of the City and the updated policy environment.

The amendment of the MSDF is a legislative requirement in terms of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (SPLUMA); the Land Use Planning Act, 2014 (Act No. 3 of 2014) (LUPA); and the Cape Town Municipal Planning By-Law (MPB-L, 2015). The DSDFs are reviewed in accordance the Municipal Planning Bylaw (MPB-L, 2015) and the EMFs are prepared in accordance with the National Environment Management Act (NEMA) Environmental Management Framework Regulations, 2010.

The MSDF is prepared as part of the City's 5 year Integrated Development Plan (IDP) in accordance with the provisions of the Municipal Systems Act, (MSA, Act 32 of 2000). The MSDF translates the vision and strategy of the IDP to establish a framework for long-term growth and development inclusive of a spatial vision, policy parameters and development priorities that supports a future spatial form and structure of the City.

The District Spatial Development Frameworks (DSDFs) translates the MSDF vision and policy objectives into district and sub district level detail and gives greater expression to the strategies, proposals and transformation focus of the MSDF. The DSDFs are integrated with the EMF's (different to the 2012 DSDFs and EMFs) for each of the respective eight planning districts to achieve a single integrated policy document for land use and environmental planning decisions. These were combined to provide "one-stop-shop" comprehensive guidelines for land use planning and environmental decision making and to remove any conflicts and duplications.

The strategic goals and proposals of the MSDF and DSDF's are guided by the vision set out in the in the new term of office IDP 2022- 2027 of making Cape Town a City of Hope. This vision provides a shared purpose, direction, inspiration and motivation for decision makers, leaders and residents of Cape Town to work together to attain it. From a spatial perspective, the City aims to achieve this vision by creating an equitable and sustainable City. The vision supports the City's spatial transformation objectives to better serve all residents and businesses. It recognises the historical challenges and constraints faced by the City and opportunities the City can capitalise on towards achieving this goal including;
- working in partnership with the private and public sector;
- addressing spatial injustice and inequality and avoiding the creation of new structural imbalances in the delivery of services or the availability of economic and residential opportunities; and

- meeting sustainability obligations while responding to social, economic, climate and resource shocks and stresses.

The City's spatial vision, as set out in the MSDF and DSDF's, is supported and enabled by three specific spatial strategies. These are embedded in the IDP foundation of: A more spatially integrated and inclusive city. The three spatial strategies underpinning this foundation are

- Spatial strategy 1: Plan for economic growth, and improve access to economic opportunities.
- Spatial strategy 2: Manage urban growth, and create a balance between urban development, food security and environmental protection.
- Spatial strategy 3: Building an inclusive, integrated, vibrant and healthy city.

The three spatial strategies serve to direct decision-making that is binding on the City and must be used to inform the City's capital budget expenditure to give effect to the implementation of the City's MSDF.

Image 3: MSDF 2022 Spatial Strategies

1.5.3.   Comprehensive Integrated Transport Plan

The Comprehensive Integrated Transport Plan (CITP) defines the strategy to deliver, operate and fund integrated, intermodal and interoperable transport and its related infrastructure (road, stormwater, bridge and rail networks), facilities and systems within the City. The CITP 2017 – 2022 is currently under review to align with the new term-of-office IDP cycle and MSDF and details the City's intent to:

- create an integrated transport system;
- address spatial integration to improve the sustainability and efficiency of public transport services;
- lower the cost of travelling; and
- reduce commuting time for residents.

The new draft CITP takes into account the current and future state of public transport, such as:

- the collapse of passenger rail;
- the impact of the Covid-19 pandemic and remote working on commuter demand and longer-term travel patterns; and
- climate change.

Furthermore, it provides a detailed analysis of priorities, proposed expenditure over the medium term and responses to longer-term systemic challenges, including:

- a growing travel demand from people with a small disposable income;
- long travelling distances between lower-income areas and places of work and opportunities;
- a failing passenger rail system;
- poor integration between different modes of public transport under different management authorities or spheres of government;
- inefficiencies in the minibus-taxi sector and MyCiTi bus service; and
- maintenance backlog related to the City's road network, missing road links and traffic signal upgrades needed to improve traffic flow.

The approved CITP (2023 – 2028) will serve as a key informant to subsequent reviews of the Integrated Human Settlements Sector Plan.

1.5.4.   The Inclusive Economic Growth Strategy

The Inclusive Economic Growth Strategy is a fundamental lever in attaining the opportunity city and inclusive city strategic focus areas. In particular, it focuses on positioning Cape Town as a forward-looking, globally competitive city through the ease-of-business programme, the business brand programme, the economic development and growth programme as well as the partnership development programme. It also covers economic inclusion with a focus on skills development, as well as building integrated communities.

1.5.5.   The Social Development Strategy

The Social Development Strategy was crafted with the intent to improve and enhance the quality of life of all people, especially the poor and marginalised. This strategy therefore focuses on addressing poverty, inequality and social ills, while enabling people to participate in their own development, thus aligning with the strategic focus areas of the IDP, namely opportunity and inclusive city. The Human Settlement Directorate will as far as possible align its interventions/plans with these principles.

1.5.6.   Cape Town Water Strategy

The Cape Town Water Strategy sets the City on a course towards a future in which there will be sufficient water for all, and which is resilient to the possible impacts of climate change through focused interventions such as facilitating safe access to basic water and sanitation for all residents, in particular residents within the informal settlements.

Although the provision of water and sanitation is not the core function of Human Settlements, it is imperative that the interventions and plans set out within the IHSSP are closely aligned with the principles of the Water Strategy.

1.5.7.   The Cape Town Resilience Strategy

In August 2019, Council approved its first Resilience Strategy to ensure that Cape Town is able to survive and thrive in the event of possible challenges. Resilience is the ability of individuals, communities, institutions, businesses and systems in a city to survive, adapt and thrive, no matter the kinds of chronic stresses and acute shocks they experience. The Resilience Strategy is based on five pillars that will be incorporated through the various interventions set out in this IHSSP. The five pillars are illustrated in the table below:

Table 2: Five pillars of the City of Cape Town's Resilience Strategy

Pillar one	A compassionate, holistically healthy city	Feeling welcome, safe and accepted in our city.
Pillar two	A connected, climate-adaptive city	Working together to create place-based response.
Pillar three	A capable, job-creating city	Turning resource constraints and the challenges of rapidly evolving technology into new opportunities.
Pillar four	A collectively, shock-ready city	Preparing for, responding to, and recovering from disasters.
Pillar five	A collaborative, forward-looking City	Working collaboratively to mainstream applications of resilience.

1.5.8.   City's climate change commitments

1.5.8.1 Development of a Climate Change Strategy in 2020

In 2017, Council adopted the first City of Cape Town Climate Change Policy. This policy followed approximately fifteen years of work on both climate change mitigation and adaptation, and several previous action plans. The adoption of the Climate Change Policy in 2017 was an important milestone, marking the point at which it was recognised that climate change is a significant threat to Cape Town and thus required a dedicated policy and strategy approach.

In 2019, the City of Cape Town 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 strategy therefore builds on the commitments of the 2017 Climate Change Policy and includes new commitments and a more ambitious programme of action. This includes achieving 'embedded sustainability' through the retention, restoration, expansion and optimisation of green infrastructure such as green open spaces within housing developments. The Climate Change Strategy was approved by Council in 2021. To facilitate the implementation thereof, a Climate Change Action Plan was developed that sets out the various actions to give effect to the strategy's objections and the responsible role-players.

1.5.8.2 C40 Deadline 2020 commitment, which includes a commitment to carbon neutrality by 2050

The City of Cape Town is a member of C40 – a global climate change leadership network aimed at promoting climate change response action at the local government level. Cape Town, along with three other metropolitan municipalities in South Africa and a wide range of major cities worldwide, is part of 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. This requires having a climate action plan in place, which in the City of Cape Town's case also serves as the implementation plan of its new Climate Change Strategy. Cape Town also has an important role to play in helping South Africa meet its nationally determined contributions in terms of the Paris Agreement. The mitigation component of this commitment is far more ambitious than the City's previous set of carbon emission reduction targets, the Energy2040 Goal, it is replacing, which had an overall goal of 37% emission reduction relative to baseline by 2040, which effectively translated to stable annual emissions over the period.

1.5.8.3 Net-zero carbon buildings commitment

The carbon neutrality component of the Deadline 2020 commitment includes a parallel commitment supported by its own programme that 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, working towards zero carbon performance for new buildings in South African cities

by 2020, and to share the lessons widely across C40 city networks. Through the programme, the City is committed to accelerating transformative climate action by delivering carbon neutrality for all new buildings by 2030.

In addition, the City is a signatory to the Net Zero Carbon Buildings Declaration. By signing this declaration, the City commits to net zero carbon performance of all new buildings citywide by 2030 and to pursuing the retrofit of existing buildings to be net carbon zero by 2050. In its own operations, the City commits to ensuring that all new facilities owned, occupied and developed by the municipality are net zero carbon in operation by 2030, and that to the extent possible the same is true for existing facilities. To meet these commitments, the City (through the C40 SA New Building Programme) is looking to introduce legislative measures that establish the minimum energy efficiency requirements of buildings and that require renewable energy systems of adequate capacity to achieve net zero carbon buildings.

1.6. PARTNERS

Intergovernmental relations are vital, as the various spheres of government are required to work together to realise the vision of a Cape Town in which all are cared for and able to prosper. Although relationships have been fostered with various spheres of government and government departments, there is room for improvement. The following intergovernmental stakeholders are vital for the development of integrated human settlements.

Table 3: Intergovernmental stakeholders

National Government	National Department of Human Settlements, Water and Sanitation National Treasury National Department of Public Works National Housing Finance Corporation
Provincial Government	Western Cape Department of Human Settlements Western Cape Department of Environmental Affairs and Development Planning Western Cape Department of Transport and Public Works Western Cape Department of Social Development Western Cape Education Department
Regulators	Social Housing Regulatory Authority National Home Builders Registration Council
State-owned Enterprises	PRASA Transnet Housing Development Agency

Recognising that it cannot achieve its vision on its own, the directorate continues to seek opportunities to foster additional relationships and collaborations to enhance and improve its services to the community.

Table 4: Private and civil society stakeholders

Professional associations	South African Local Government Association Social Housing Institutions (SHIs) and Other Development Agents (ODAs) Council for the Built Environment Western Cape Property Development Forum and broader development industry Financial Sector Transformation Council
Civil society	NGOs CBOs Academia Targeted communities for project-related engagement

Internal relationships are equally important, and the directorate relies on the City's various service departments to contribute both directly and indirectly to the success of its endeavours.

Table 5: Internal stakeholders

City of Cape Town line directorates and departments	Finance Spatial Planning and Environment Community Services and Health Corporate Services Economic Growth Urban Mobility Water and Sanitation Urban Waste Management Energy Safety and Security Future Planning and Resilience

2. CONTEXTUAL ANALYSIS

2.1 HIGH-LEVEL ASSUMPTIONS

This IHSSP responds to certain high-level assumptions detailed in the analysis below. These assumptions include:

- Housing demand will outstrip the supply (by both state and private sector) of formal housing.
- While ownership is important for household wealth generation, rental housing enables the mobility of younger urban populations, and is a vital tenure option for the many households who are unable to afford ownership options.
- A post-COVID decrease in household employment and income levels will lead to more pressure on the state to provide housing and basic services.

- A post-COVID-19 fiscal decline will lead to increased pressure on grant funding for human settlements, meaning that innovation in human settlements interventions will be required considering limited grant funding.
- National grant funding will continue to shift away from BNG subsidised houses towards a focus on upgrading informal settlements, as is notable in the creation of the dedicated national grant for the upgrade of informal settlements.
- Informality will increase: An estimated 53% of all new dwellings per annum between 2020 and 2040 are projected to be informal (informal dwellings – 46%, multi-residential informal boarding houses – 7%).
- Unlawful occupation of land is likely to increase, in line with socio-economic trends.
- The private sector will become critical to the delivery of affordable housing. This will open up options for public-private partnerships and the testing of mixed-market, mixed-use models.
- Frequency and intensity of extreme weather patterns will increase between 2020 and 2040 as a result of climate change, putting those living in informal dwellings particularly at risk.
- Location of households experiencing socio-economic vulnerability will remain relatively static (although private sector trends, both in the informal and formal sectors, could have local impacts).

2.2 DEMOGRAPHIC AND HOUSEHOLD DEMAND ASSESSMENT

It is important for the Human Settlements Directorate to first reflect on the City's current context, including its demographics, household demands and housing market trends before crafting adequate plans and interventions towards developing integrated sustainable human settlements within the City of Cape Town. This section therefore provides a high-level assessment of the City of Cape Town context as it relates to population/household indicators, socio-economic trends, property trends, housing demand indicators and national grant funding trends.

2.2.1 Impact of urbanisation

South Africa's population grew at a rate of 1,3% in 2020. Approximately 67% of the population is living in cities and this number is expected to rise to 71% by 2030. The sustained proliferation of informal settlements in South Africa reflects both the challenge of housing inadequacy, and the resilience and innovation of the most vulnerable, who develop informal dwellings when formal markets are unaffordable. Across South Africa, 23% of the total urban population live in informal settlements.[1] As such, South Africa continues to face serious challenges with adequate and affordable housing for much of the low-income population, despite decades of comprehensive government-subsidised housing delivery.

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[1] Centre for Affordable Housing Finance Africa Year Book 2021

Cape Town is the only metropolitan municipality in the Western Cape and also the fastest-growing city in South Africa with approximately 3,4 million inhabitants in 2022[2], as depicted in Graph 1 below. This growth has a significant impact on the current infrastructure as well as the socio-economic, cultural and environmental structures of the city and region, and will continue to shape the future sustainability of the province and city well into the future.

Although South Africa has a slower urbanisation rate than the rest of Africa, South Africa is still urbanising rapidly with 63% of South Africans already living in urban areas and the statistics will rise to 71% by 2030. By 2050, eight in 10 people will be living in urban areas[3]. This will place significant additional strain on municipal infrastructure and service delivery and will likely be exacerbated by the fact that the majority of these new urban residents will be poor.

Graph 1: [South African cities with largest population 2022 | Statista](#)
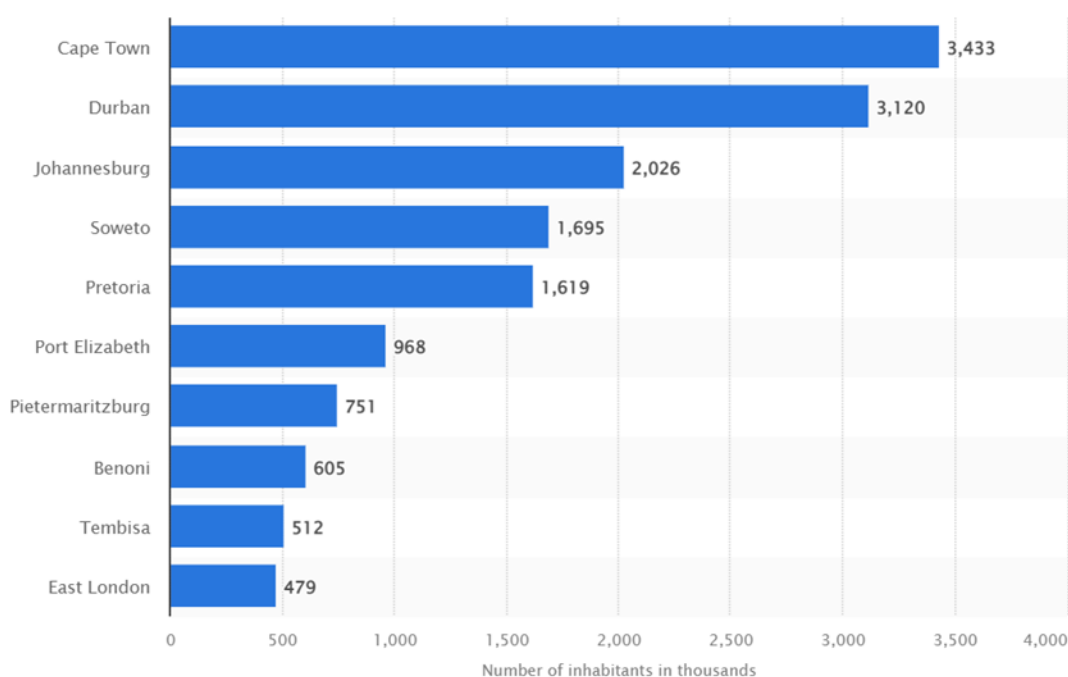
As urbanisation and population growth are inevitable, it requires a proactive and sustainable response to address the challenges and opportunities that urbanisation presents, including to improve the living environment, climate resilience and the overall health and wellbeing of residents and communities. Critical to this is embracing informality as a current and future reality. There are simply not enough state resources to provide housing to all who need it. Accepting informality[4] opens up the space to implement innovative responses that can upscale the delivery of housing and integrated human settlements by all actors within the human settlements environment.

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[2] https://www.statista.com/statistics/1127496/largest-cities-in-south-africa/
[3] Parliamentary Monitoring Group (https://pmg.org.za/page/Urbanisation)
[4] This is one of the new strategic shifts identified in the Human Settlements Strategy that was approved by the City Council in 2021. More details on this will be highlighted below.

All spheres of government and sectors of society also need to recognise from the outset that urbanisation is not a challenge that can be addressed by an individual organ of state; instead, what is needed is strong collaboration among local, provincial and national government departments, as well as between the public and private sector. If proactively designed and planned, and properly managed, urbanisation can offer opportunities for growth, social inclusion and the building of sustainable resource-efficient and climate-resilient communities and human settlements.

2.2.2. Population and household indicators

As at 2022, Cape Town had an estimated population of 4 756 255, which amounted to an estimated 1 486 330 households.

Table 6: Cape Town population figures

Issue	Number
Population estimate (2022)	4 756 255
Households estimate (2022)	1 486 330
Household size (2016)	3,2

Source: Stats SA Community Survey 2016, Stats SA 2022 Mid-Year Population Estimate and own calculations

These households are living in different **housing circumstances.** The housing circumstances of households as at 2016 show that some 17,6% of households lived in informal dwellings, compared to 81,6% in formal dwellings. However, the 2020 General Household Survey (GHS) from Stats SA estimated an increasing percentage (18,3% on average over 2019 to 2021)[5] of households in Cape Town reporting that they reside in informal dwellings[6].

Table 7: Cape Town dwelling type statistics

Dwelling type	Number	Percentage
Formal dwelling	1 032 497	81.6%
Informal structure in backyard	77 634	6.1%
Informal structure NOT in backyard	145 286	11.5%
Other (includes traditional, caravan and tent)	9 229	0.8%
Unknown	203	0%
Total	**1 264 849**	**100%**

Source: Stats SA Community Survey 2016

The majority of households in Cape Town (68,7%) owned their dwelling (whether this was fully paid off or not), and 18,1% rented their dwelling as per the Stats SA Community Survey 2016.

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[5] An average is used as the sample size for the 2020 and 2021 GHS was smaller than in previous years, and could impact on the statistical findings. The smaller sample size was due to the pandemic, where survey field work was a challenge.
[6] More information is expected to be available during 2023 after the Census 2022.

Table 8: Cape Town tenure status 2016

Tenure status	Number	Percentage
Owned and fully paid off	663 728	53%
Owned but not yet paid off	204 956	16%
Rented from private individual	186 399	15%
Rented from other (including municipality and SHIs)	43 344	3%
Occupied rent-free	109 558	9%
Other	45 939	4%
Total	**590 196**	**100%**

Source: Stats SA Community Survey 2016

2.2.3. Household income and housing opportunities

Using the average of 2019 and 2020 data, an estimated 25% of households earned R3 500 or less, while 32% of households in Cape Town were estimated to earn an income between R3 501 and R10 000 per month, and 17% a monthly income between R10 001 and R22 000[7]. This IHSSP will focus on the income brackets of R22 000 and below (estimated at 73% of households in Cape Town) in the strategic response to human settlements challenges. (Refer to Figure 1 below.)

Figure 1: Distribution of Cape Town monthly household income in rands (average 2019, 2020 and 2021)
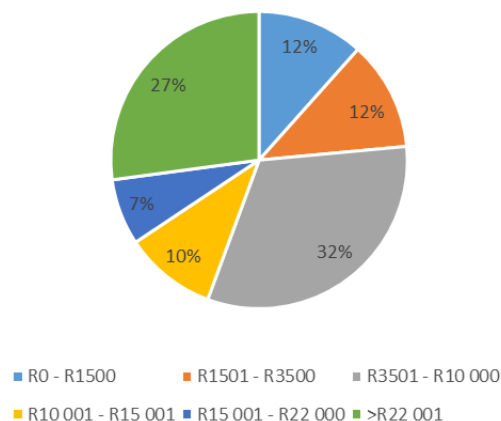
Table 9 below illustrates the annual income for households living within the City of Cape Town based on 2016 data from the Stats SA Community Survey. It shows the proportion of households at varying income levels, which have been divided into three categories – the low-, middle- and high-income brackets.

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[7] The income data takes both 2019, 2020 and 2021 into consideration, meaning the COVID-19 pandemic is to some degree taken into consideration. More data is needed to understand the full impact. Unknown incomes were removed from the analysis.

Those in the low-income bracket have a monthly income of 0 – R4 218, while those in the middle- and high-income brackets have a respective monthly income threshold of R4 218 – R33 742, and R33 743 – R269 934 and above.

Table 9: Estimated annual income for households living within the City of Cape Town (2016): percentage by housing area and income brackets

Amount (2016)	Tygerberg	Blaauwberg	Northern	Khayelitsha Mitchells Plain	Helderberg	Cape Flats	Table Bay	Southern	
No income	11.5	13.1	12.1	16.5	13.8	13.8	12.2	12.3	Low income
R1 – R6 327	2.1	2.3	1.8	4.4	2.0	2.8	1.8	1.3	
R6 328 – R12 653	3.3	3.1	2.5	6.3	3.4	3.9	2.3	1.8	
R12 654 – R25 306	9.6	7.6	6.3	14.2	10.1	13.1	7.4	5.8	
R25 307 – R50 613	15.1	13.2	9.7	21.6	15.8	17.5	10.9	9.3	
R50 614 – R101 225	16.8	12.9	9.5	16.2	14.4	15.5	12.5	10.2	Middle income
R101 226 – R202 450	16.0	13.0	12.8	10.9	13.6	12.8	14.9	13.2	
R202 451 – R404 901	13.3	14.1	17.7	6.6	12.6	10.7	16.1	16.6	
R404 902 – R809 802	8.8	12.8	17.2	2.7	9.0	6.8	13.0	16.0	High income
R809 803 – R1 619 604	2.8	5.9	7.9	0.4	3.7	2.3	16.1	9.3	
R1 619 605 – R3 239 208	0.5	1.4	1.8	0.1	1.0	0.5	1.8	3.0	
R3 239 209 or more	0.3	0.7	0.8	0.1	0.6	0.3	1.0	1.3	

Source: Stats SA Community Survey 2016

The table above indicates that approximately 63% of households in the Khayelitsha/Mitchells Plain district fall within the low-income bracket, of which 16,5% have no income. This is followed by the Cape Flats District, where approximately 51,1% fall within the low-income bracket, with some 13,8% of households having no income. Accurate and regularly updated income statistics – which remain a challenge for analysis – together with an understanding of housing supply, are crucial to identifying the most appropriate housing interventions for differing income groups.

Table 10: Monthly household income (brackets and percentage average of 2019 and 2020 breakdown) and formal housing products by public and private sector

Household income brackets (monthly)	Ownership	Rental	Cape Town household income breakdown (monthly, average 2019 and 2020)
0 – R1 850	Breaking New Ground (BNG)	City Public Housing Stock and Community Residential Units	12%
R1 850 – R3 500			13%
R3501 – R10 000	GAP Market (FLISP subsidy)	Social Housing	33%
R10 001 – R15 000			10%
R15 001 – R22 000			8%
>R22 000	Private Sale	Private Rental	24%

The table above outlines the various formal public and private sector housing supply options, and highlights the proportion of households that could potentially qualify for each option. This table provides us with a notional understanding of the proportion of households that would qualify for a government-subsidised housing programme, or for market-rate ownership or rental options based on their income alone.

It should be noted that private sector rentals and sales options here refer to the 'traditional' private sector market. There is a burgeoning small-scale rental sector being stimulated by micro developers, which is leveraging RDP housing and/or formalising informal structures to create additional housing units. These units would be rented or sold at lower price ranges than the 'traditional' private sector.

2.3 KEY ISSUES IDENTIFIED

2.3.1 Socio-economic trends

The following assumptions can be made based on Table 10 above.

- Approximately 12% of the poorest households in Cape Town (R3 500 and below) would be almost completely reliant on formal state-subsidised housing opportunities for ownership opportunities, or on community residential units (CRUs) (0 – R3 500) or social housing (R1 850

– R3 500) for rental opportunities. In light of the grant funding limits for ownership options, and limited new rental opportunities, it is likely that most households in this income bracket would reside in informal settlements, backyards and overcrowded conditions. Ensuring access to basic services remains vital for this income group. Enabling access to title deeds can unlock home ownership value for some in this income bracket.

- The highest proportion of households (33%) fall into the lower GAP market of R3 501 – R10 000. These households earn too much to qualify for a fully subsidised house, but too little to purchase a formal house in the 'traditional' market (due to both cost of housing as well as difficulties in accessing end-user financing). Those living in formal housing would most likely reside in rental housing (including CRUs and social housing). This income category is most likely to live in informal settlements and backyards, as well as rental accommodation from micro developers or small-scale rental providers, as they do have the ability to pay rent. Rental housing is critical for this income group, due to the constraints related to formal ownership. The Upgrading of Informal Settlements Programme (UISP) and the provision of serviced sites as part of the IRDP would also be important for this income group as it provides tenure security and access to services.

- Approximately 10% of households earn between R10 000 and R15 000, and would be able to afford both social housing and some market-rate rentals. It is likely that this income group resides in formal housing. Purchasing houses or apartments remain challenging for this income group, due to issues of creditworthiness and access to end-user financing, and importantly due to a lack of affordable housing products on the market. However, households closer to R15 000 may be able to purchase homes and would be eligible to utilise the Finance-Linked Individual Subsidy Programme (FLISP) if this was their first home. Households earning R15 000 and below are now also eligible for Council rental housing based on the newly approved Council Allocation Policy: Housing Opportunities (2022). Incentivising the private sector to cater for this market is critical – this includes releasing well-located City-owned land to the private sector for the development of affordable housing; the implementation of an Inclusionary Housing Policy, as well as the piloting of mixed-market models. Stimulating the state-subsided housing resale market could also contribute meaningfully to this market segment despite the limited direct influence the Human Settlements Directorate currently has on this market segment.

- Approximately 8% of households earn between R15 001 and R22 000. These households are more 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. Private rentals also fulfil an important role for this income group, especially as rental housing provides households the ability to be flexible and live closer to work opportunities. It is critical for the City to consider incentives for the private sector to cater to this market – this includes releasing well-located City-owned land to the private sector for the development of affordable housing; the implementation of an Inclusionary Housing Policy, as well as the piloting of mixed-market models.

While households who earn above R22 000 a month are outside of the IHSSP's primary target, it is noted that just under a quarter of households (24%) are in this income bracket. This means that the City of Cape Town, and the state as a whole, has to strategically enable or develop affordable housing opportunities that target the majority (76%) of households in Cape Town.

2.3.2 Property market trends

According to deeds registry data collated by the Centre of Affordable Housing Finance Africa, the City of Cape Town has a property market that is skewed towards the luxury market at 43% of all properties. In comparison, the entry and affordable markets together make up 34% of all properties – the lowest proportion out of all metro municipalities.

Table 11: Proportion and number of properties by market segment[8], 2021[9]

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	**16% (128 349)**	**18% (138 075)**	**13% (102 961)**	**10% (79 026)**	**43% (331 852)**
City of Johannesburg	13% (105 773)	25% (208 433)	20% (168 353)	11% (92 353)	30% (249 448)
City of Tshwane	24% (141 263)	20% (118 425)	16% (92 983)	11% (65 395)	28% (163 473)
eThekwini	18% (84 021)	25% (116 390)	21% (99 899)	13% (61 138)	22% (103 540)
Ekurhuleni	19% (113 411)	33% (202 368)	17% (104 524)	11% (68 472)	19% (113 104)
Nelson Mandela Bay	40% (97 354)	24% (57 661)	13% (31 384)	10% (23 207)	13% (31 281)
Buffalo City	30% (38 742)	32% (42 199)	13% (17 666)	9% (11 391)	16% (21 237)
Mangaung	57% (100 556)	14% (24 243)	11% (19 106)	6% (10 768)	12% (21 727)

While these trends can be viewed as a positive sign of investment in the city, as well as a contributing factor to a financially sustainable city, they also indicate that the ownership of homes in the formal market is challenging for most households in Cape Town due to a lack of affordable products in the market – targeting the middle market as well as the entry market. The Cape Town housing market is reflective of higher land costs, which make the provision of affordable housing challenging.

This once again reinforces the important role that rental housing plays in providing alternative housing options, while highlighting the importance of incentivising households at the bottom of the ownership ladder to realise the value of their houses, thus contributing to an increase in products along the housing ladder. It also indicates the important role of micro developers in providing alternative products that respond to the housing demand.

2.3.3 Government and private sector housing supply

The City Council-approved Human Settlements Strategy (HSS) outlines a ten-year projection (2018-2028) of housing demand for the City of Cape Town. Cape Town's population is projected to grow

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[8] As defined by the Centre for Affordable Housing Finance in Africa
[9] This utilises title deeds data, and covers transactions that have a bond on properties that appear on the deeds registry. *Source: http://housingfinanceafrica.org/documents/citymark-south-africa-eight-metro-municipalities-deeds-data-dashboard/*

by 800 000 between 2018 and 2028 to just under 5 million people. 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. This translates to a total of between 47 920 and 52 930 housing opportunities required per annum over the next 10 years to meet the housing demand. Over the five years, from 2013/14 to 2017/18, an estimated 124 760 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 Government (WCG). This is an average of 24 950 new housing opportunities per year[10].

The HSS projected a shortfall in the development of housing opportunities of between 22 970 and 27 980 every year between 2018 and 2028, assuming the average annual rate of supply of dwellings and serviced sites by both the private and public sectors is unchanged.

The map below provides a spatial depiction of the subsidised housing programmes delivered by the City for the period 2011 to 2022 in an attempt to respond to the ever-growing demand. The various housing interventions as displayed on the map are categorised as follow:

- BNG, which includes BNG, institutional and EPHP projects
- Public rental housing
- Affordable housing, which includes social housing and FLISP housing opportunities
- Land restitution projects
- UISP, which refers to the various upgrading of informal settlements initiatives including re-blocking and TRAs

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[10] On average, the public and private sector together are developing 19 480 new formal dwellings per year and providing 5 470 new serviced sites per year.

Map 1: Subsidised housing delivery by the City for the period 2011 to 2022
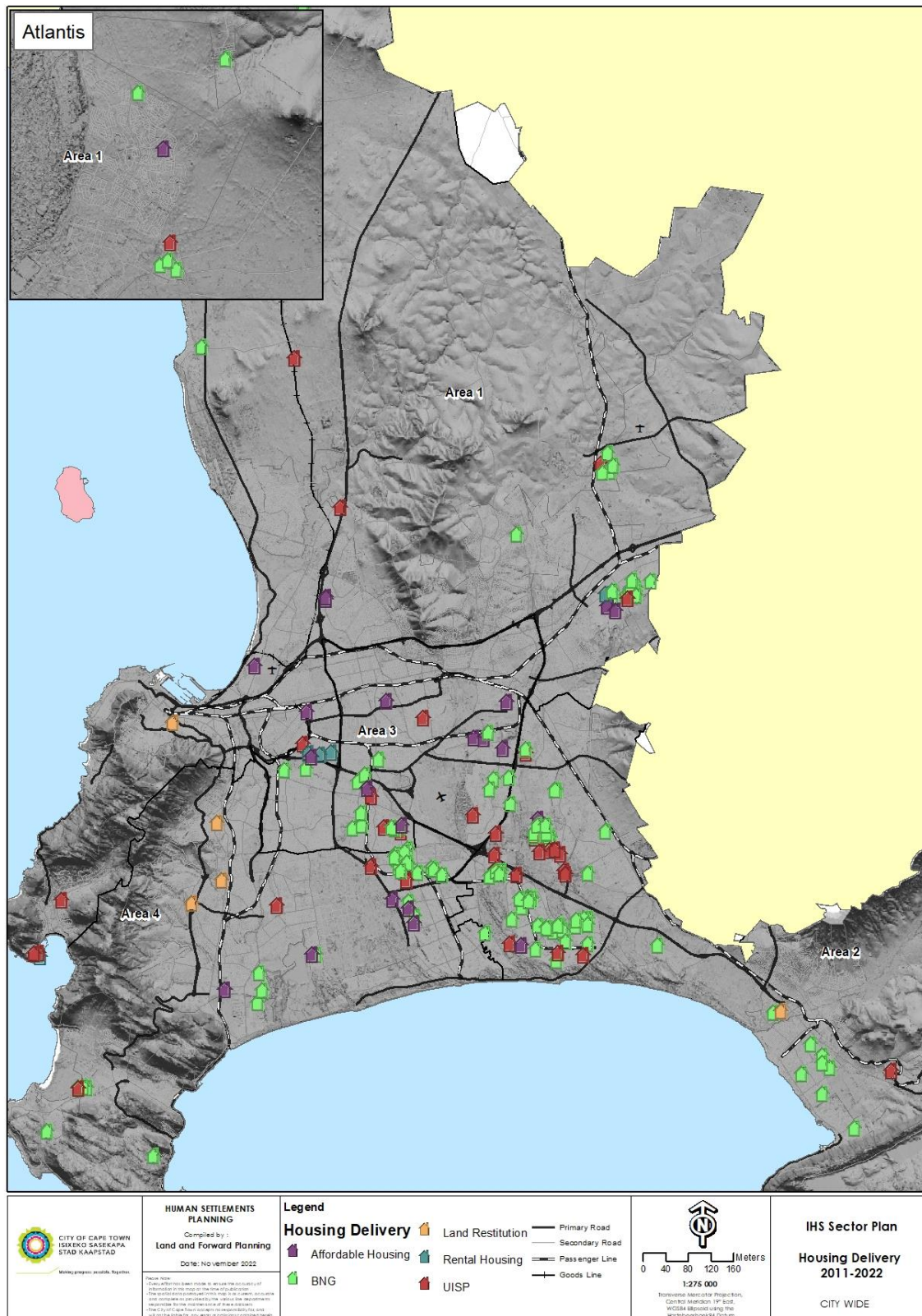
2.3.4 Housing Needs Register

The City's Housing Needs Register was implemented in June 2006 and represents an amalgamation of approximately 15 housing waiting lists from the former municipalities that now form part of the metropolitan area. This integrated system is housed on a central City server, which means that authorised officials can access it from any of the City's housing offices via the intranet.

The purpose of the Housing Needs Register is to provide an accessible account of residents who have expressed their need for state-assisted housing (ownership and rental tenure) and it records beneficiaries of the City's various housing programmes through a single, centrally managed list. The Housing Needs Register is mainly used to ensure the fair and transparent allocation of vacant rental housing units managed by the City and of housing developed in terms of the state's BNG programme. The Western Cape Department of Human Settlements sources potential beneficiaries of their BNG housing projects developed within the City from the Housing Needs Register.

As of January 2023, 367 592 applicants had registered their need for housing on the City's Housing Needs Register and were still awaiting housing opportunities – of these, 3 863 have a disability status and 30 806 are over the age of 60 years. Persons who have come forward and expressed a need for housing to the City are not screened for eligibility against national housing subsidy-qualifying criteria at the point of registration. Screening of applicants to ensure they qualify takes place after projects have been identified, as applicants' socio-economic circumstances at the time of completing a housing subsidy application form will determine their eligibility for the project. Furthermore, upfront screening of applicants is also not prioritised as in many instances it takes years from the date of registration on the City's Housing Needs Register to the allocation of a housing opportunity. This is primarily due to the demand for housing far outweighing the supply thereof, coupled with the 3- to 5-year planning and development period to complete a housing project.

It is therefore important to note that the Housing Needs Register alone is not an accurate measure of real housing demand within the City because firstly, it relies on people to come forward to register a need for housing, and secondly, not all those on the Housing Needs Register would qualify for the various state-subsidised housing programmes. Notwithstanding this limitation, the Housing Needs Register still remains an important tool for the City to utilise.

2.3.5 Informality trends

There are various definitions for what constitutes an informal settlement. Stats SA defines an informal settlement as "an unplanned settlement on land, which has not been surveyed or proclaimed as residential, consisting mainly of informal dwellings". An alternative definition would be: "An informal settlement exists where housing has been created in an urban or pre-urban location without official approval".

Informal settlements may contain a few dwellings or thousands of them, and are generally characterised by:

- informality, i.e. informal housing that is primarily not in compliance with current planning and building regulations
- inappropriate locations for urban/residential development
- inadequate infrastructure to support urban development
- poor access to basic services, including social services such as access to safe and healthy green open spaces
- unsuitable environments, especially areas prone to flooding and veld fires
- uncontrolled and unhealthy population densities
- inadequate dwellings
- poor access to health and education facilities
- poverty and vulnerability

The map below illustrates the areas of informality across the City.

Map 2 : Location of areas of informality across the City of Cape Town
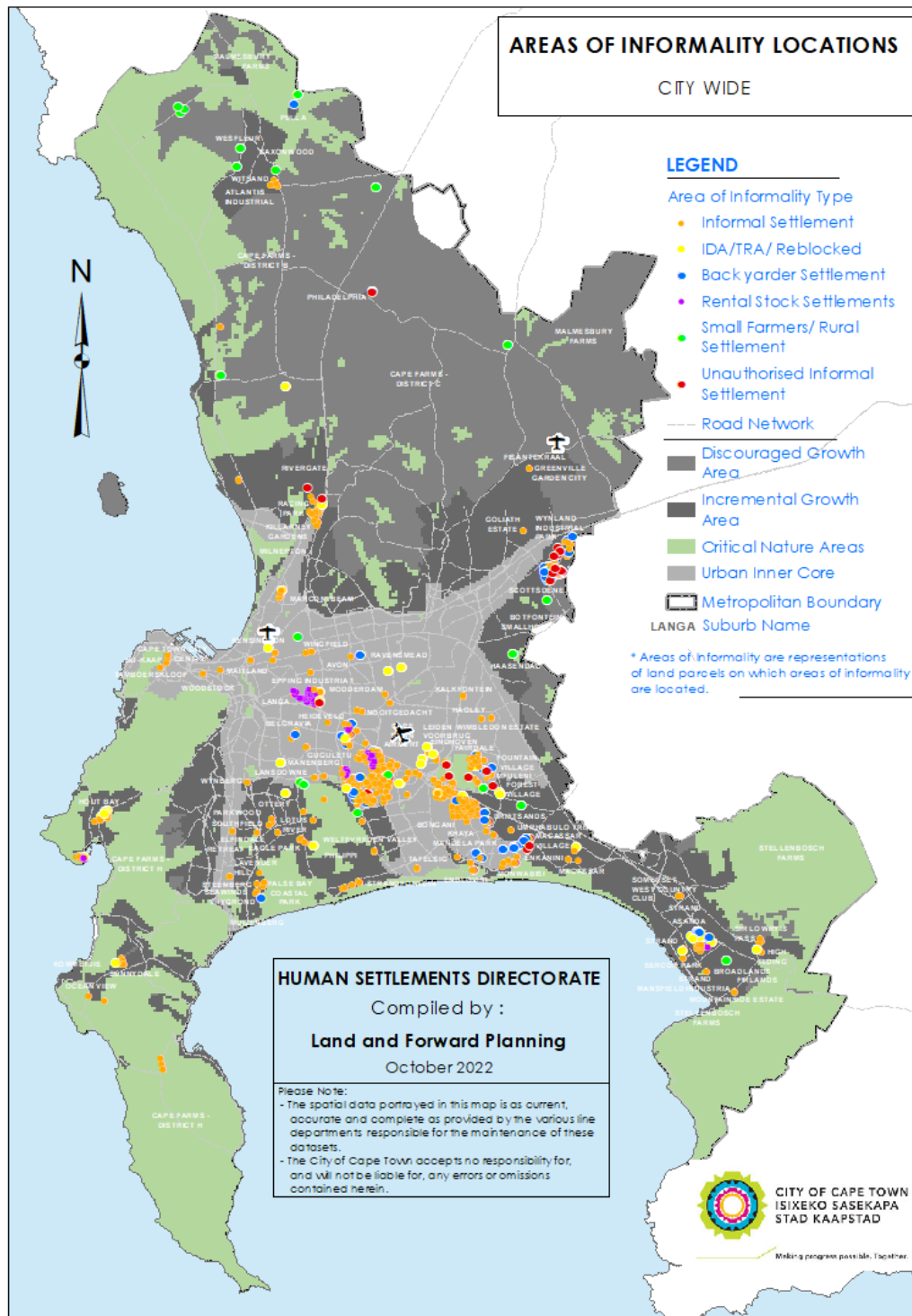
Graph 2: Number of informal dwellings by Planning District 2018 (based on informal settlement door and roof counts)
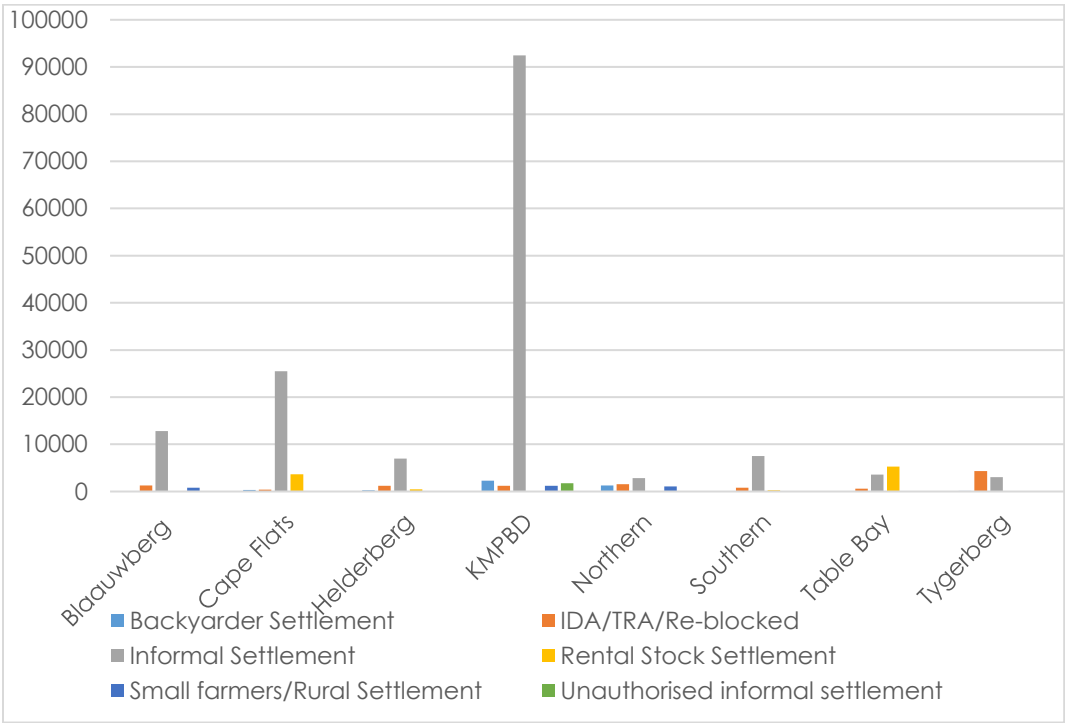
The graph above highlights a breakdown of informality by type across the City's eight Planning Districts. Informality is highest in the Khayelitsha/Mitchells Plain/Blue Downs (KMPBD) District, followed by the Cape Flats District, and the Blaauwberg District. The Cape Flats District and Table Bay District have the highest numbers of informal dwellings in the City's rental stock.

The graph below provides an indication of the rapid informal structure growth within informal settlements across the City over the period 2013/14 – 2021/22.

Graph 3: Growth in number of informal structures for the period 2013/14 – 2021/22
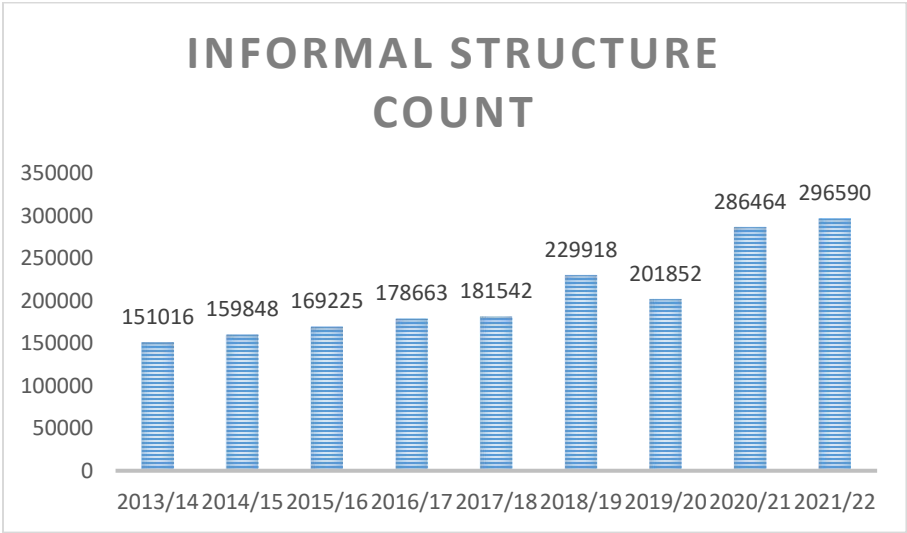
2.3.6. *Unlawful land occupation*

As with the growth of informality, urbanisation also leads to increased incidences of unlawful land occupation, where people claim tracts of state-owned or privately owned land to form new settlements. This presents a critical challenge to the City, as unlawful land occupations on City-owned land (and other state land) often happen on land already earmarked for projects – thus threatening service delivery and diverting time and money from planned projects to responding to crisis situations. Unlawful land occupations also often take place on land that is unfit for human habitation (below flood plains, under electricity powerlines, etc.) – where services cannot be provided on a permanent basis. It also results in the unlawful encroachment of green open spaces and other green infrastructure assets, which may cause irreversible environmental degradation and negatively impacts upon the biodiversity within these areas, as well as compromises ecosystem service provision.

Occupying land unlawfully does not speed up the process for any household to access services, as there are Council-approved project pipelines that have been budgeted for with funds allocated from grant funding.

The graph below shows trends in unlawful land occupations between 2016 and 2020. Unlawful land occupations spiked in 2018 and 2020 – both pre-election years – indicating the fact that some unlawful occupations could have particularly political motives. In 2020 though, it is undeniable that the impact of the national lockdown during the COVID-19 pandemic had an effect on spurring unlawful occupations. As people lost jobs, or any ability to earn an income, they were evicted by property owners, which spurred a need for new accommodation – leading to unlawful land occupations. Between March 2020 and October 2020, 186 new informal settlements made up of 59 192 structures were formed as a result of unlawfully occupied land – amounting to 22% of all informal settlements, and 21% of all informal structures in the City.

Graph 4: Unlawful land occupation trends, 2016 – 2020

Year	Value
2016	15216
2017	14289
2018	87207
2019	11488
2020	79373
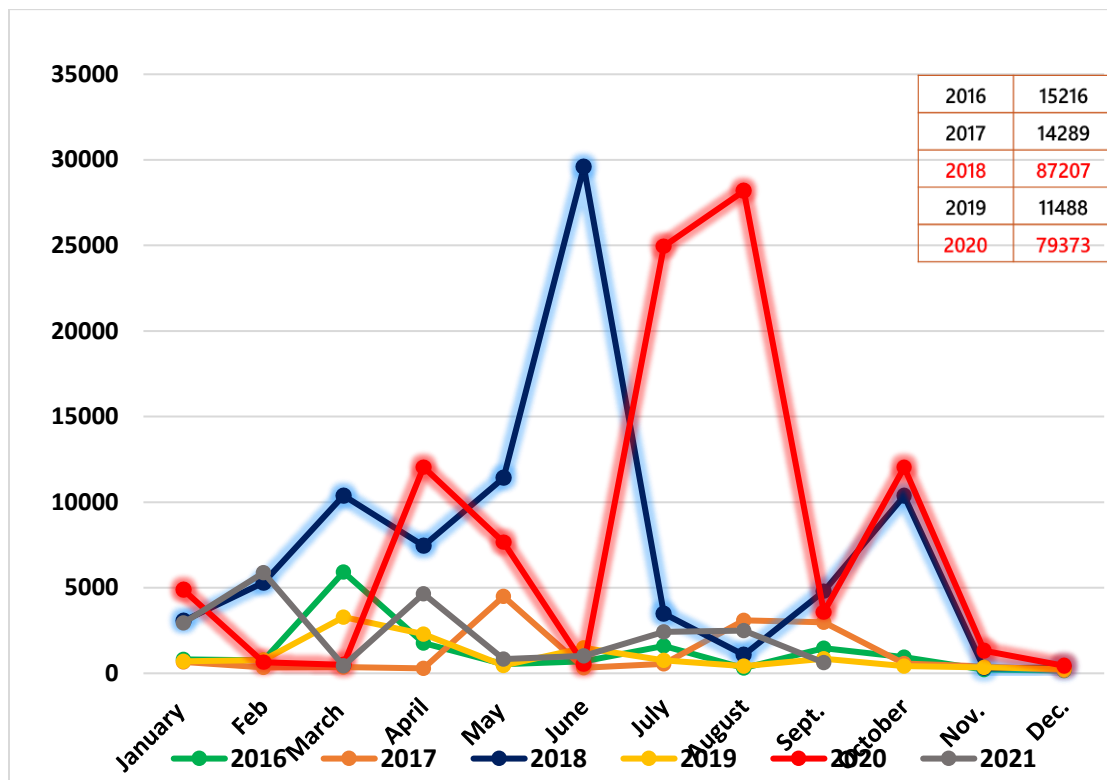
The table below highlights the hectares of land that have been unlawfully occupied – with comparisons between 2018 and 2020. By June 2020, there had already been more land lost to unlawful occupation than in 2018 – the previously highest year.

Table12: Land occupied as at June 2020 by ownership

Land Owner	2020 Ha	%	HA 2018	%
COCT	241.4671	71%	232.8559	73%
Private	52.6623	16%	52.6623	16%
Province	3.0555	1%	1.3267	0%
SoE (Transnet & PRASA)	41.5581	12%	34.3537	11%
Total	338.743	100%	321.1987	100%

The three maps below depict the dramatic increase in land occupation from March 2020 to November 2022.

Map 3: Land occupied for the period March 2020 – October 2020 (during COVID-19 lockdown)[11]
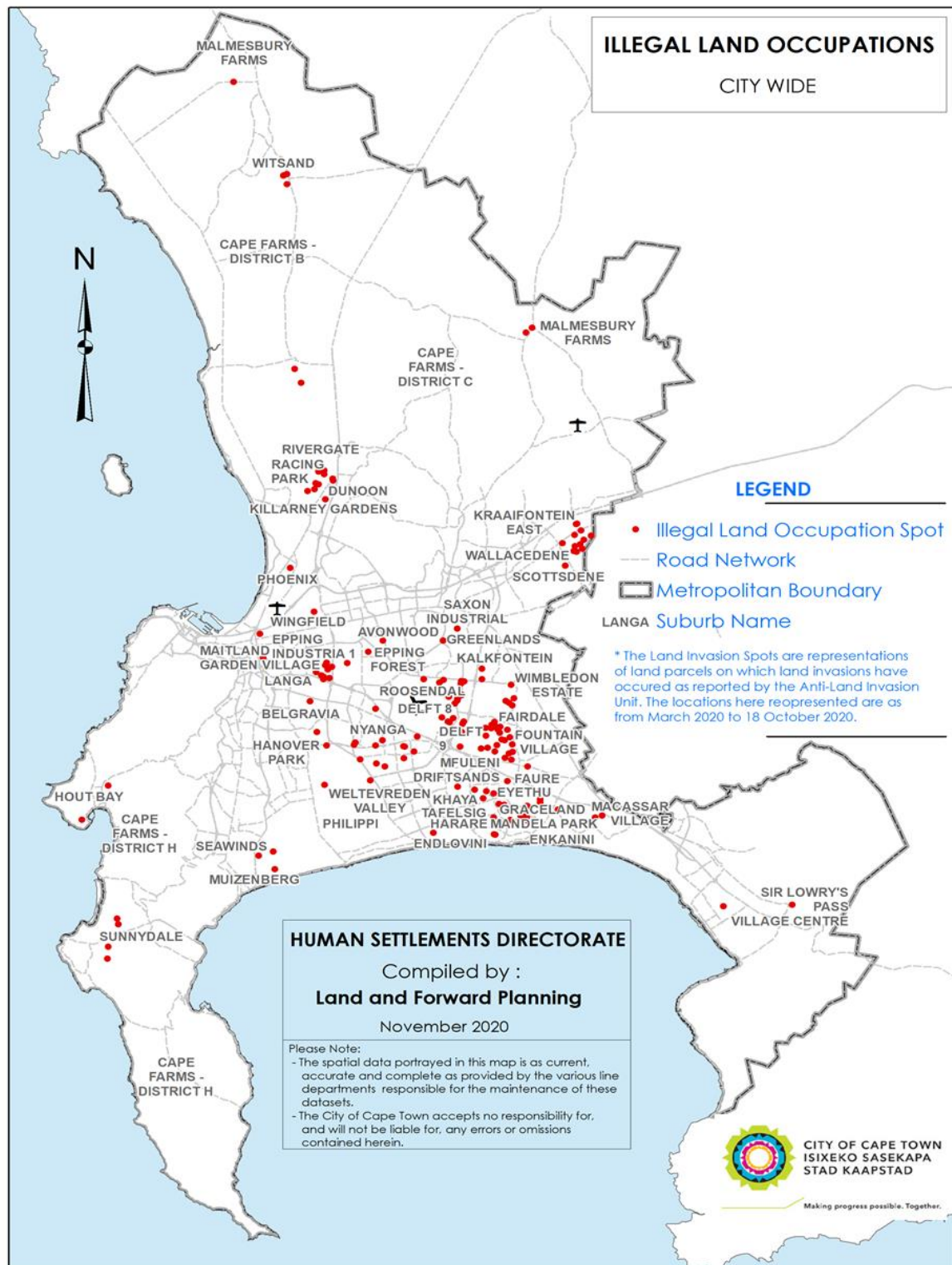
Map 4: Land occupied for the period November 2020 – January 2022

ILLEGAL LAND OCCUPATIONS
CITY WIDE

LEGEND
- Illegal Land Occupation Spot
- Road Network
- Metropolitan Boundary
- Metropolitan Boundary
- Suburb Name

* The Land Invasion Spots are representations of land parcels on which land invasions have occured as reported by the Anti-Land Invasion Unit. The locations here reopresented are as from March 2020 to August 2021.

HUMAN SETTLEMENTS DIRECTORATE
Compiled by :
Land and Forward Planning
January 2022

Please Note:
- The spatial data portrayed in this map is as current, accurate and complete as provided by the various line departments responsible for the maintenance of these datasets.
- The City of Cape Town accepts no responsibility for, and will not be liable for, any errors or omissions contained herein.

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

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Map 5: Land unlawfully occupied for the period January 2022 – November 2022.
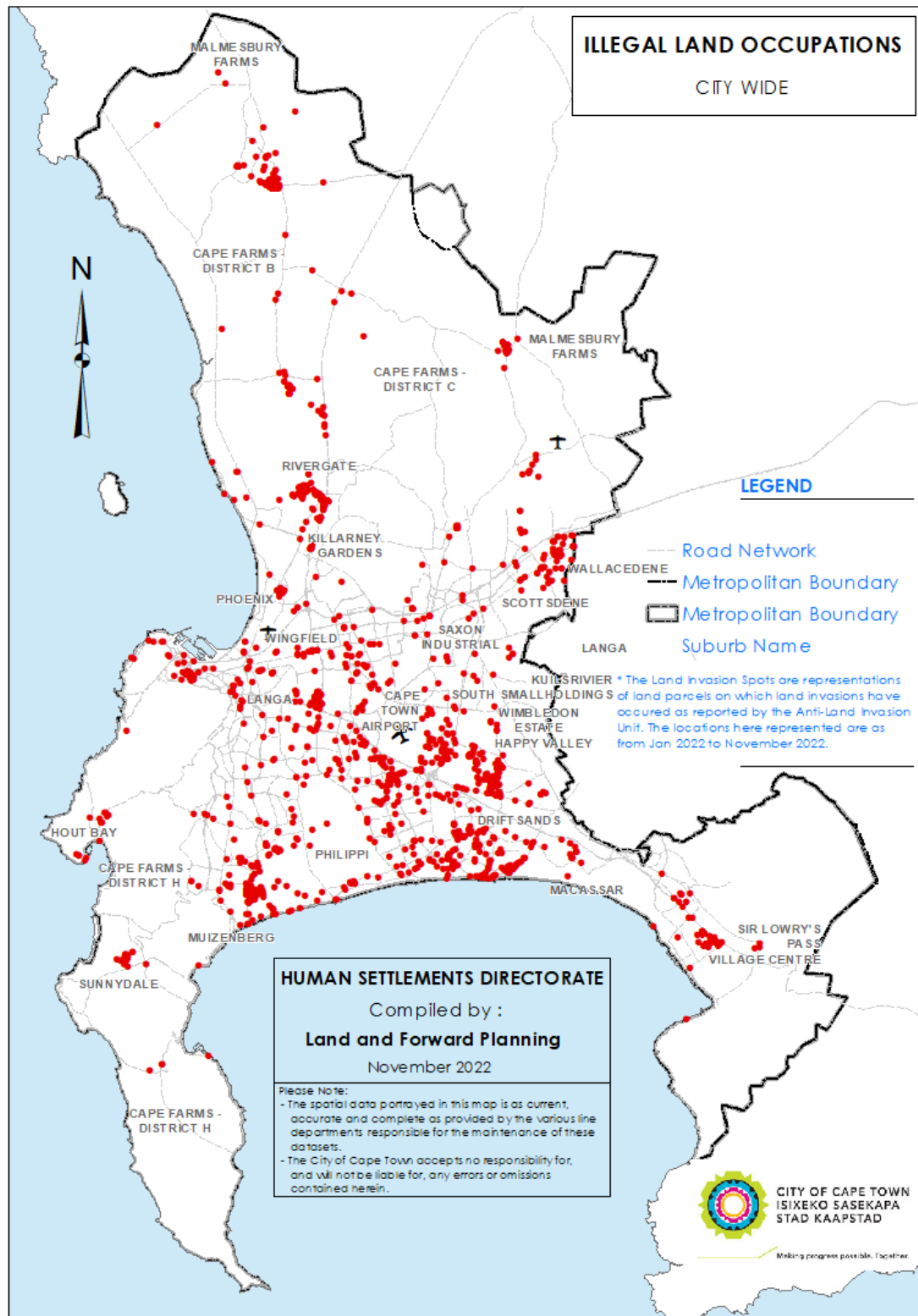
2.3.7. Housing demand

Sections 2.3.4 – 2.3.6 above highlight the complexities associated with measuring housing demand and provide context in terms of the factors that the City takes into consideration in this regard. The proxies used for estimating housing demand in the City of Cape Town therefore include: 1) The number of people who have expressed a need for housing by registering on the Housing Needs Register[12] and 2) The level of informality, and the growth of informality over time.

Furthermore it should be noted that there are a number of reasons for higher numbers of individuals on the Housing Needs Register in a particular district as illustrated in the graph below – this includes more active public awareness campaigns in certain areas; and the development of projects in certain districts, which encourages people to register on the Housing Needs Register in order to qualify for housing opportunities.

Graph 5: Average percentage change per annum in housing delivery compared to the Housing Needs Register, 2013/14 – 2017/18
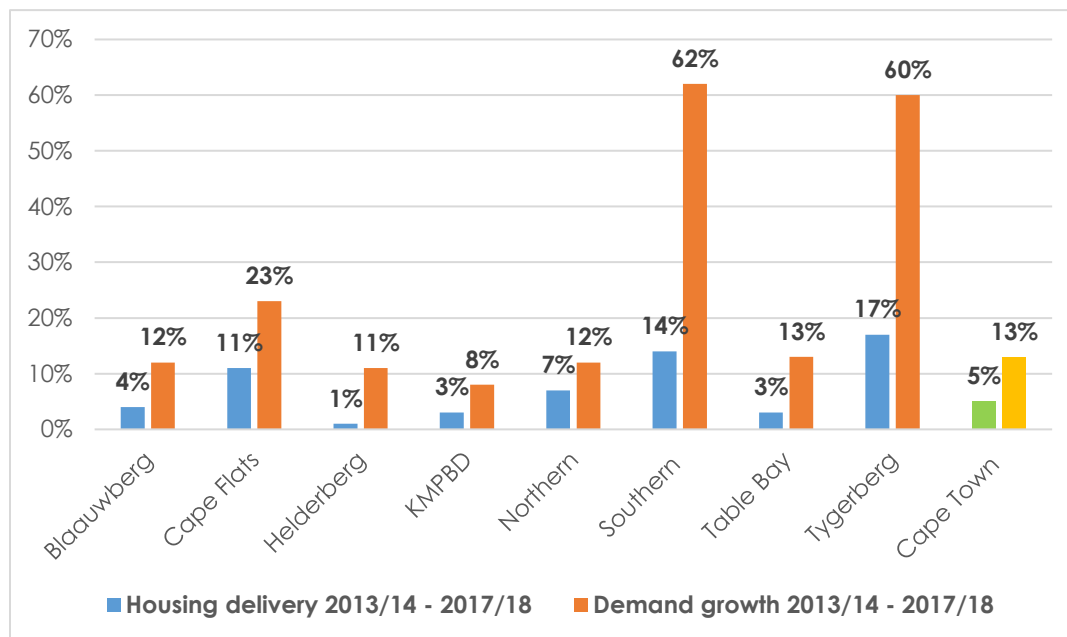
The graph above compares the percentage change per annum of the government-subsidised housing delivery of all typologies to the change in those registering on the Housing Needs Register. As previously mentioned, the Housing Needs Register cannot be seen as a true reflection of the housing demand in the City, but it gives an indication of housing need. This graph indicates that over and above the existing housing backlog, housing delivery grew by 5% per annum between

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[12] The Housing Needs Register is also known as the 'Housing Database'. Individuals register their need for housing on the Housing Needs Register and are selected for housing opportunities in order of date of registration. The housing opportunities referred to include: BNG subsidised housing, top structures as part of phase 4 of the UISP, City rental stock units, social housing rental units (only the units targeted at households with R1 850 – R5 500 monthly income).

2013/14 and 2017/18, which is far below the 13% increase per annum in those registering their need on the Housing Needs Register.

Housing demand figures from 2018 show that the demand for housing was by far the highest in the Khayelitsha, Mitchells Plain and Blue Downs District, where 112 342 individuals were on the Housing Needs Register, and there were 98 943 informal structures. This was followed by the Cape Flats District, with 52 937 individuals on the Housing Needs Register, and 29 899 informal structures. Blaauwberg District had the third-highest number of informal structures, at 14 923, while the rest of the districts ranged between 9 449 and 6 744 informal structures. Tygerberg had the third-highest number of people registered on the Housing Needs Register at 37 610, followed by the Northern District at 26 361. The rest of the districts ranged between 14 795 and 4 590 people on the Housing Needs Register.

The City is increasingly unable to keep up with housing demand (as registered on the Housing Needs Register). Between 2013/14 and 2017/18, there was an average growth of 5% per annum in the delivery of housing, yet over that same period there was an average growth of 13% per annum in the number of people registering on the Housing Needs Register.

2.3.8. Projected socio-economic and dwelling trends

The City's projections for 2020 and 2040 (CCT, 2020) suggest that 53% of new dwelling units developed between 2020 and 2040 will be informal, which amounts to an approximate total of 334 242 new informal dwellings over this period. Informal dwellings are broken into main dwellings (26,5% of all new dwellings), additional dwellings (19,7% of all new dwellings), and multi-residential informal boarding house units (6,8% of all new dwellings).

In comparison, a projected 47% of new dwellings units will be formal, amounting to an approximate 296 026 new dwellings over the period 2020 and 2040. Formal dwellings are broken down into main dwellings (33% of all new dwellings), and additional dwellings (14% of all new dwellings). These projections suggest that the City needs to be proactively planning for informality – which has particular implications for land availability, provision of basic services, security of tenure, and other regulatory responses.

The middle and upper markets are projected to account for the highest proportion of new main dwellings in the formal market at 22% and 21% respectively, whereas new additional formal dwellings are likely to align with the full subsidy and lower gap income groups at 20% and 29% respectively. Recognising new informal dwellings, the highest proportion would be for the lower gap and full-subsidy income groups at 31% and 28% respectively, while new additional informal dwellings would also be for the same income groups at 37% and 21%. Informal boarding houses are projected to be occupied by the lower gap market at 38% and the full-subsidy market at 32%.

2.3.9. Projected National Government grant trends

The National Department of Human Settlements is responsible for setting national policy and grant guidelines for human settlements projects (as captured in the National Housing Code), with National Government also determining the level of grant funding for various human settlements programmes.

The National Housing Code has been amended over time and is currently undergoing further review – particularly in the context of a resource-scarce environment and the fact that the human settlements context has changed from when the original Housing White Paper was drafted. Some housing programmes need a complete strategic review as they no longer respond to the real context across the country.

One such policy shift is the realisation that the top-structure delivery model is fiscally unsustainable. As a result, the National Department of Human Settlements has issued a directive for the prioritisation of serviced sites to qualifying beneficiaries with the Human Settlements Development Grant (HSDG). The directive further indicates that the top-structure projects are intended to benefit households from a limited set of priority groups (the elderly, persons with disabilities and proven military veterans) and, over time, provinces and municipalities must scale down on the delivery of top structures as part of the BNG housing programme. Of the 367 592 applicants registered on the City's Housing Needs Register awaiting a housing opportunity, 3 863 have a disability status and 30 806 are over the age of 60. This suggests that for the vast majority of applicants, the BNG housing programme might not be the suitable housing solution.

In addition to the envisaged policy changes, it is worth considering the trends in grant funding over the last three years, as well as funding projected for the next three years. This gives the City some indication of national priorities.

Table 13: National grant funding allocations over time

Key Programmes	Average growth rate (%) 2016/17 - 2019/20	Medium-term expenditure estimate			Average growth rate (%) 2019/20 - 2022/23
		2020/21	2021/22	2022/23	
Social Housing Regulatory Authority: Consolidated capital grant	19.5%	725,747	764,646	791,144	3.0%
National Housing Finance Corporation: Finance-linked individual subsidy programme	–	334,250	480,000	503,019	74.3%
Urban Settlements Development Grant	3.6%	11,281,871	7,404,711	7,352,273	-15.2%
Municipal Emergency Housing Grant	–	158,792	167,526	175,412	5.6%
Informal Settlements Upgrading Partnership Grant Municipalities	–	–	3,945,447	4,180,530	–
Human Settlements Development Grant	0.9%	16,620,732	13,413,593	13,870,574	-9.6%
Title Deeds Restoration Grant	–	577,823	–	–	-100.0%

The following trends are evident from the above table:
- There has been, and is projected to be, more funding allocated to the social housing programme and to the FLISP, which will allow for the development of more affordable housing for the GAP market.
- The USDG allocations grew at below inflation rates for the previous financial years, and are projected to decrease over the next three years. This decrease is partly because money has been reallocated to the new Informal Settlements Upgrading Partnership Grant (ISUPG), which aims to prioritise the upgrade of informal settlements over other line items that the USDG could be spent on.
- The HSDG is projected to decrease substantially, indicating a shift away from fully subsidised top structures to instead prioritising the delivery and transfer of serviced sites to qualifying beneficiaries. However, it should be noted that this remains the programme with the highest expenditure.
- The Title Deeds Restoration Grant is being phased out.

An increased focus on informal settlement upgrading, social housing, GAP housing (utilising FLISP), and testing of mixed-market models is strategically important for the City.

3. HUMAN SETTLEMENTS STRATEGIC INTENT

3.1. STRATEGIC INTENT OVERVIEW

The Human Settlements Strategic Intent outlines the strategic approach the City will take in responding to the sector-specific challenges related to human settlements. As such, this chapter summarises challenges that the Human Settlements Directorate has to respond to in fulfilling its mandate. Spatial and transversal considerations are analysed and key strategic shifts identified in the Human Settlements Strategy (HSS) are highlighted, which will frame the Human Settlements Directorate's strategic response.

3.2. KEY HUMAN SETTLEMENTS CHALLENGES

The Human Settlements Strategic Intent has to consider the following challenges:

- **The public and private sector are not building enough formal supply:** As evidenced above, the public and private sector are not producing enough housing units to meet existing demand. Future demand for housing is projected to increase, with informality increasing in response.
- **Decreased grant funding over time:** Funding for human settlements is decreasing in real terms (costs are rising but subsidy quantum remains the same) and in nominal terms (actual financial allocation has decreased). This will limit the City's ability to provide adequate state-subsidised housing opportunities.
- **Fiscal deterioration and economic impact of COVID-19:** Economic impact on households, as well as on state resources. The country is still in the process of recovery from COVID-19 which will negatively affect both private and public sector resources and spending, thus affecting the delivery of housing. It is important to note that residential development is projected to be more stable than commercial or retail development.
- **Uncertainty over national policy reform:** The policy environment that guides the City's human settlements delivery pipeline is set by National Government in the National Housing Code. This constrains the ability of the City to innovate in how it delivers housing, as well as about the type of product that is delivered. The National Housing Code is currently being reviewed, and new policy instruments are being developed. The finalisation of this policy reform is however uncertain due to the complex nature of policy development.
- **Improved intergovernmental coordination needed:** Urbanisation is not a challenge that can be addressed by an individual organ of state. Strong collaboration is needed among local, provincial and national government departments and between the public and private sector. National and Provincial Government need to be more responsive to the implementation realities experienced by cities and must work collaboratively to adjust policy and grant frameworks to support innovation that increases the sustainable delivery of human settlements.
- **Lack of appropriate land:** The lack of appropriately zoned land with access to sufficient bulk infrastructure leads to project time delays, and also affects private sector housing supply. Importantly, there is a lack of well-located land for integrated human settlements,

and uncertainty as to the release of land owned by other government departments and state-owned enterprises for human settlements delivery.

- **Spatial inequality:** The City's spatial form is highly unequal, with areas of socio-economic vulnerability being located far from opportunities. Housing developed by the state in post-apartheid South Africa has tended to be in poorly located areas, mainly driven by land cost and availability, which has unintendedly exacerbated this divide.

- **Exclusionary and spatially unequal property market:** There is a particular disjuncture between incomes and prices in Cape Town's housing market, which is dominated by luxury housing. Some areas of the City have experienced gentrification, which has led to displacement.

- **Unlawful land occupation:** The City is experiencing significantly increased incidences of unlawful land occupations of both City-owned land and privately owned land. This impacts on the long-term sustainability of the availability of land, while also threatening the implementation of existing projects. Responding to unlawful land occupations diverts both capital and operational resources from planned projects into responding to emergencies and court hearings. Land that is unlawfully occupied is often in areas that are inappropriate for human habitation, e.g. flood plains, areas with sensitive biodiversity, and where services cannot be provided permanently. Some unlawful occupations occur on sites that are currently earmarked for formal housing development – delaying project implementation.

- **Uncertainty over emergency housing policy response:** There is ongoing policy and funding uncertainty around the City's emergency housing response, which results from emergency housing being in essence an unfunded mandate for local government. Increasingly, the City is being enjoined by the court to provide alternative accommodation in the instance of <u>private</u> evictions. This is completely unsustainable from a financial and human resource perspective, and would result in a diversion of scarce funding for other interventions such as informal settlements upgrading.

- **Integrated planning:** Better internal City collaborative planning is required to align housing provision with social facilities, bulk services, transport and green open spaces – something the City's Sector Planning process seeks to address. Intergovernmental planning with Provincial and National Government needs to be strengthened – particularly as it relates to sectors that are key to enabling integrated communities, for example, education, health, and police services.

- **Rental recovery in City rental stock:** The poor rental collection rate places financial strain on the operating cost of public housing. The City receives no funding for the operational costs of public housing projects, which means that this cost is borne by the City.

- **Community conflict, unrest, and violence:** A lack of trust between the communities and the City, as well as criminal activity (gangs) lead to a hostile and volatile environment that poses a risk to project delivery and staff safety. This also highlights the need for the City to build effective relationships with communities to mitigate these risks, which demands a focus on increasing human resource capacity for public engagement.

- **NIMBYism:** 'Not-in-my-backyard' has a real impact on the location of housing developments, and has led to the cancellation of certain human settlements projects. There is an inherent tension between the importance of communities being involved in the development of their neighbourhoods, and in some instances this blocks the implementation of citywide goals/objectives, particularly as it relates to the location of human settlements.

This highlights the need for improved public engagement capacity to ensure that City projects are supported.

- **Some human settlement interventions lack an economic logic:** Many post-apartheid human settlement interventions may provide shelter and tenure security but lack an economic logic, being far from economic opportunities primarily due to the availability of affordable land in those areas. At the same time, encouraging economic activity in these settlements has been very difficult, partly because of the lack of infrastructure but also because private investors do not regard townships and low-income areas as viable investment locations.

3.3. SPATIAL CONSIDERATIONS

The location of human settlements needs to align with City and national policies, and is influenced by the location of housing need, areas with access to socio-economic opportunities, and land availability, amongst other factors. The following are key informants to achieve our spatial vision for human settlements:

- **Municipal Spatial Development Framework, and District Spatial Development Frameworks**

The City's current MSDF is under review, and updated DSDFs are in the process of being finalised. The City's current MSDF (2017) highlights four spatial transformation areas to direct city growth and public and private sector investment, as illustrated in the table below, namely the urban inner core, incremental growth and consolidation areas, discouraged growth areas, and critical natural assets. These spatial transformation areas are likely to remain the same within the revised MSDF and it seeks to curb urban sprawl by focusing on inward growth and transit-oriented development, along with higher densities and mixed land use. The implication for the Human Settlements Directorate is to prioritise projects in the inner urban core and incremental growth and consolidation areas, while strategically locating projects along transport corridors, and enabling higher-density and mixed-use developments.

Table 14: Spatial transformation areas

Urban inner core	Includes the majority of the city's existing industrial and commercial nodes; the airport, ports and primary freight infrastructure; the three Integration Zones; IPTN corridors and TAPS. The City will prioritise these areas for investment and co-investment.
Incremental growth and consolidation areas	Includes areas where the City is committed to servicing existing communities and where new development will be subject to infrastructure capacity.
Discouraged growth areas	The City will not invest in these areas, which include protected areas based on natural and agricultural assets, areas with a lack of social and physical infrastructure and areas that do not contribute to spatial transformation, inward growth or the premise of transit-oriented development.
Critical natural assets	Areas that contribute significantly to the City's future resilience or have protection status in law. They include a number of protected natural environments and conservation areas outside the urban inner core or incremental growth areas.

Image 4: Spatial vision of the City
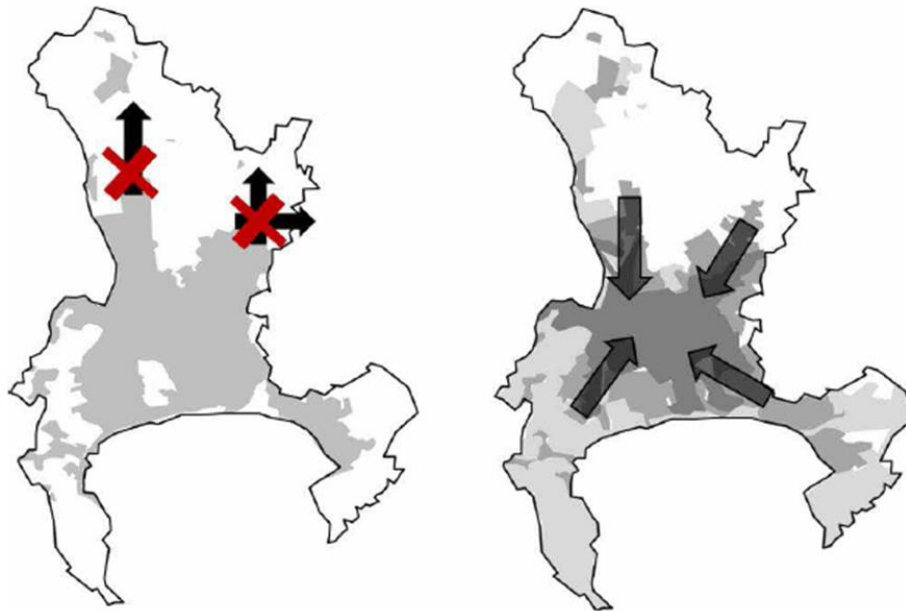
The DSDFs reflect these principles at a district level, and provide more detailed guidance on the location and nature of future development – including densities and typologies of residential development. The implementation of human settlements projects are guided by these frameworks.

- **Priority Human Settlements and Housing Development Areas**

The National Department of Human Settlements has gazetted Priority Human Settlements and Housing Development Areas (PHSHDAs), which will spatially target the implementation of human settlements projects by directing grant funding towards these areas. It should be noted that the gazetted PHSHDAs have been aligned with the City's submission that the identification and declaration of these areas should be premised on certain principles, including the recognition of the current spatial vision and development approach that has been adopted by the City whereby the focus is on inward growth rather than promoting urban sprawl. The following criteria proposed by the City have been taken into cognisance in the determination of PHSHDAs:

- The entire urban inner core (UIC) as identified in the MSDF should be declared as a PHSHDA as the UIC is the primary focus for investment in the City aimed at spatial restructuring and integration;
- The PHSHDAs should be aligned with the Integration Zones (IZs) as promoted by the National Treasury alignment of the PHSHDAs to strategic themes and spatial targeting approaches premised on the Urban Network Strategy (UNS). These advocated for a corridor-oriented development focusing on IZs, marginalised areas, informal settlements and climate responsiveness and resilience. Hence the proposed PHSHDAs for the City are in the form of IZs; and
- The current catalytic projects that have been identified by both National Treasury and the National Department of Human Settlements should still be prioritised for funding purposes.

The PHSHDAs were promulgated by the former National Minister of Human Settlements, Water and Sanitation on 15 May 2020. The objective of the PHSHDAs is to promote settlements' 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 national housing programmes 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 (Greenfields), social housing restructuring zones and spatial consolidation in existing areas. Going forward, the Human Settlements Directorate will therefore focus capital investment within these areas in an attempt to create integrated human settlement.

The National Department of Human Settlements has identified and gazetted the following PHSHDAs within the City of Cape Town: Atlantis, Blaauwberg Development Area (Erf 1117, Blaauwberg), Blue Downs Integration Zone, Hout Bay, Voortrekker Road Corridor and Khayelitsha Corridor, as detailed in Table 15 and shown in Figure 2 below.

Table 15: Gazetted PHSHDAs within the City of Cape Town

Gazetted PHSHDA	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, rather than concentrating on the Imizamo Yethu informal settlement.
Khayelitsha Corridor	Cape Town, Crossroads, Epping Industria, Gugulethu, 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 Southeast Corridor in the City that both the National Department of Human Settlements and the City agreed upon.

Figure 2: Gazetted PHSHDAs within the City of Cape Town

Extract: Consolidated Spatial Plan Concept; Priority Housing Development Areas — February 2018
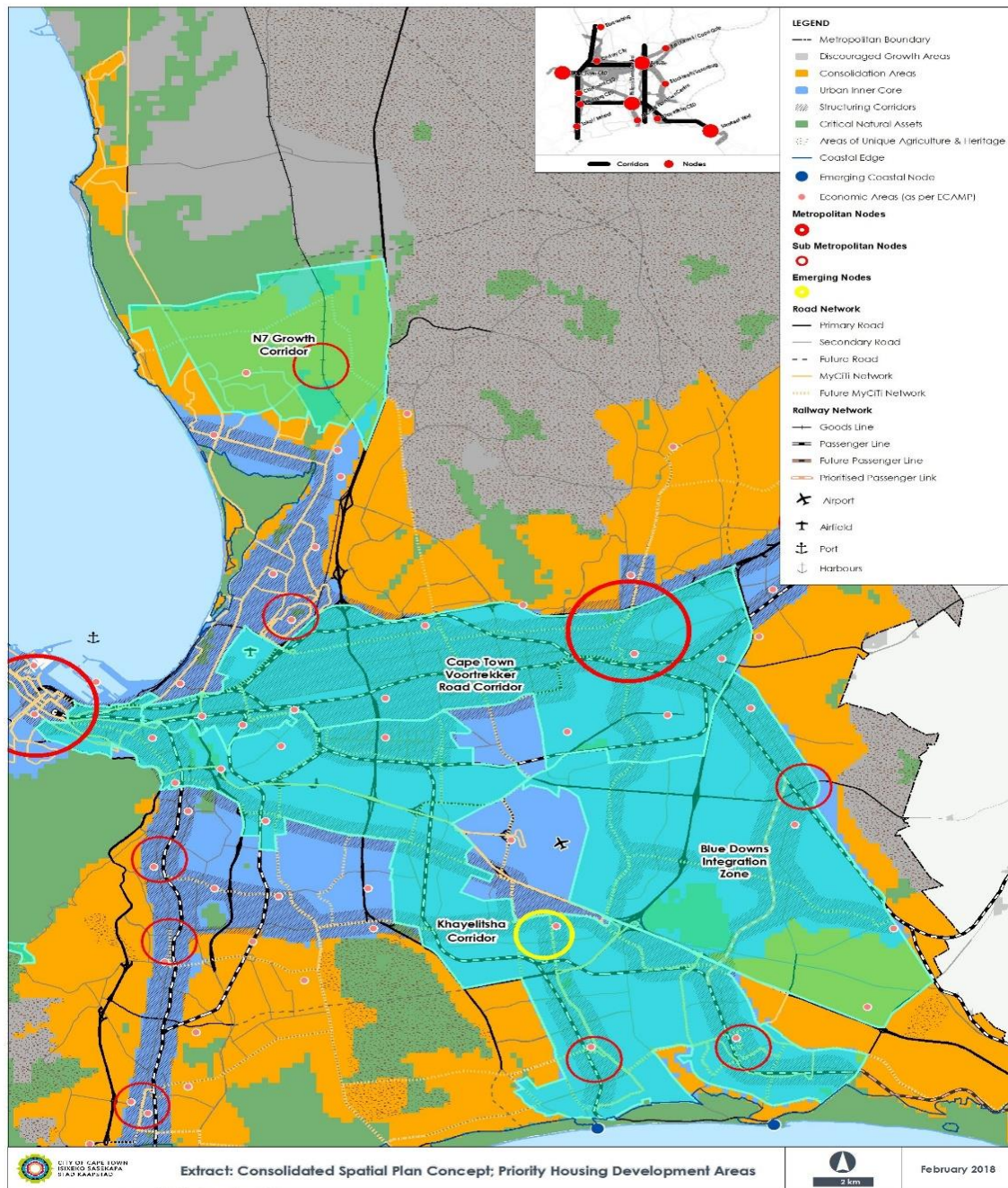
- **Social Housing Restructuring Zones**

The Restructuring Capital Grant requirement for social housing is that it can only be developed in approved Social Housing Restructuring Zones (SHRZ) – which are spatially targeted areas close to economic opportunities, public transport, and social amenities, with the aim of catalysing spatial transformation. The SHRZ is thus an important spatial structuring element in guiding the planning of social housing projects.

3.4. SECTOR-SPECIFIC CONSIDERATIONS

The IHSSP is a strategic approach and implementation programme for creating human settlement opportunities in the City of Cape Town. However, this objective can only be achieved through the transversal and integrated planning of various sector plans that are being developed by other directorates within the City. This section outlines the intersecting considerations of other City directorates and departments that have a bearing on the Human Settlements Directorate's interventions when planning for the short to medium term.

3.4.1. Transport

The following issues link with implementation priorities for the Human Settlements Directorate:

- **Rail**

Rail is the backbone of Cape Town's public transport network, but the serious decline in infrastructure and service, exacerbated by encroachments of informal settlements into the railway reserve, has forced many passengers onto the road network, leading to gridlock during the peak periods. The City is engaging with PRASA about the revitalisation of the commuter rail service within the city, particularly the reinstatement of the central line commuter rail operations that service the Metro Southeast. This programme includes the relocation of 7 844 informal dwellings that have unlawfully occupied sections of the line. This requires the acquisition of approximately 60 ha of land to accommodate these informal dwellings (see Table 16 below).

Table 16: Estimated number of dwellings and households to be relocated per property

NO.	STATION	PROPERTY DESCRIPTION	NUMBER OF INFORMAL DWELLINGS	SIZE OF LAND REQUIRED (HA)
1	Langa	Portion of erf 114412, Cape Town	650	4,6
2	Philippi	Portions of various properties	6 494	46,3
3	Philippi	Portion 1 of No. 678, Cape Town		
4	Nonkqubela	Portion of erf 40793, Khayelitsha	560	4,0
5	Nonkqubela	Portion of erf 40794, Khayelitsha	140	1,0
	TOTAL		**7 844**	**55,9**

It should be noted that the City of Cape Town, the Western Cape Government Departments of Human Settlements, Transport, Public Works and Infrastructure, PRASA, the National Department of Human Settlements and the Housing Development Agency (HDA) have signed an Implementation Protocol (IP) as provided by the Intergovernmental Relations Framework Act, Act 13 of 2005. This provides a framework aimed at facilitating the implementation of this relocation programme, and negotiations on the scope, budgets and timelines are still ongoing.

There are also plans to improve service offerings in other rail corridors such as the Northern Corridor Modernisation Study, which looks at integrating future rail corridor requirements, road-based public transport serving the rail corridor, and TOD-focused land use along the corridor. The study area of the Northern Corridor Modernisation Study largely coincides with the boundaries of the Voortrekker Road Corridor (VRC) Integration Zone and the Voortrekker Road Corridor that PHSHDA has identified for spatial targeting of development resources together with National Treasury and the National Department of Human Settlements. A key output of the project is a prioritised project implementation programme for the modernisation of the Northern Corridor, including rail and road-based infrastructure requirements and associated land use proposals such as medium- to high-density residential uses.

In addition, there are several rail improvement projects planned by PRASA, including new lines such as the Blue Downs rail link, modernisation, and new rolling stock. The Blue Downs rail link and corridor will run from Kuils River station and link up with Nolungile station in Khayelitsha, as shown in Map 6 below. The railway line will cross through various settlements and four informal settlements namely Khayelitsha, two in Mfuleni and north of the proposed Wimbledon station. Residents of the latter settlements, which approximate up to 5 000 households, need to be relocated prior to commencement of construction. The scope of work will be to ensure that sufficient land is identified and that all the required legislative processes and approvals have been obtained for implementation. This project is dependent on the prioritisation of projects by PRASA, and as such will be delayed due to a focus on the reintroduction of the commuter rail services in the Metro Southeast/Area Central.

Delays associated with the Blue Downs rail link have a significant impact on households living in the Metro Southeast as well as Blue Downs, Mfuleni and environs, as this would be the only link to Bellville – an important area of economic activity. Many of the City's human settlements projects are also in the Metro Southeast – where demand is high – and these need to be supported by effective public transport links.

Map 6: Blue Downs rail link corridor
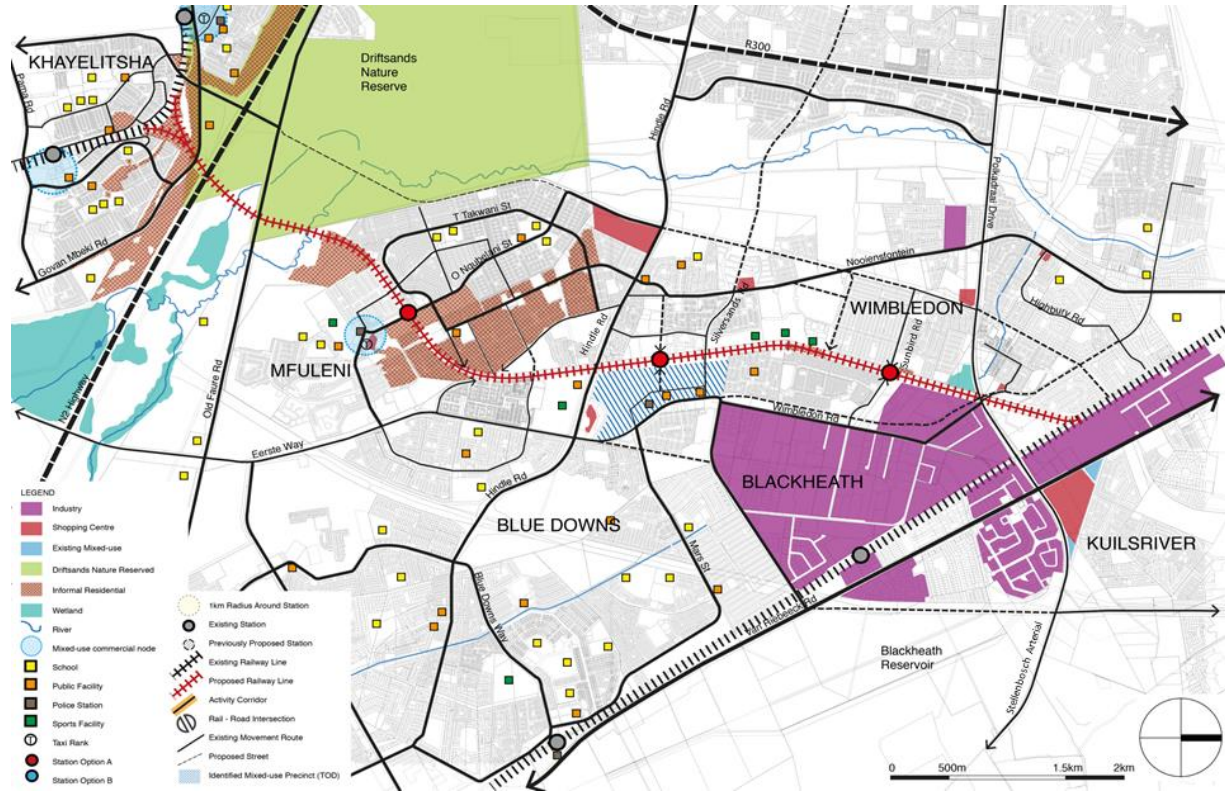
- **MyCiTi rollout**

This is a R10 billion project that aims to implement the Bus Rapid Transit (BRT) on key corridors that are not served by rail, based on the objectives of the approved Integrated Public Transport Network Plan (IPTN: 2015). The implementation of the MyCiTi Phase 2A network (now known as the 'Metro South East Corridor') that includes two trunk routes in the Metro Southeast linking Khayelitsha and Mitchells Plain to Wynberg and Claremont (T11 and T12) is crucial in ensuring the provision of public transport and connectivity between residential areas in the Metro Southeast to employment opportunities in the city. The implementation of the IRT Phase 2A trunk construction is envisaged to take place from December 2024 to December 2025. However, this might be delayed due to the envisaged relocation of approximately 1 300 informal dwellings encroaching on the road reserve. The Human Settlements Directorate is working closely with Urban Mobility to ensure the objectives of this project is realised.

To address travel needs resulting from the lack of rail service on the Central line, the N2 Express services between Khayelitsha and the CT CBD, and Mitchells Plain and the CT CBD, were restored at the beginning of 2022.

Map 7: Phase 2A location
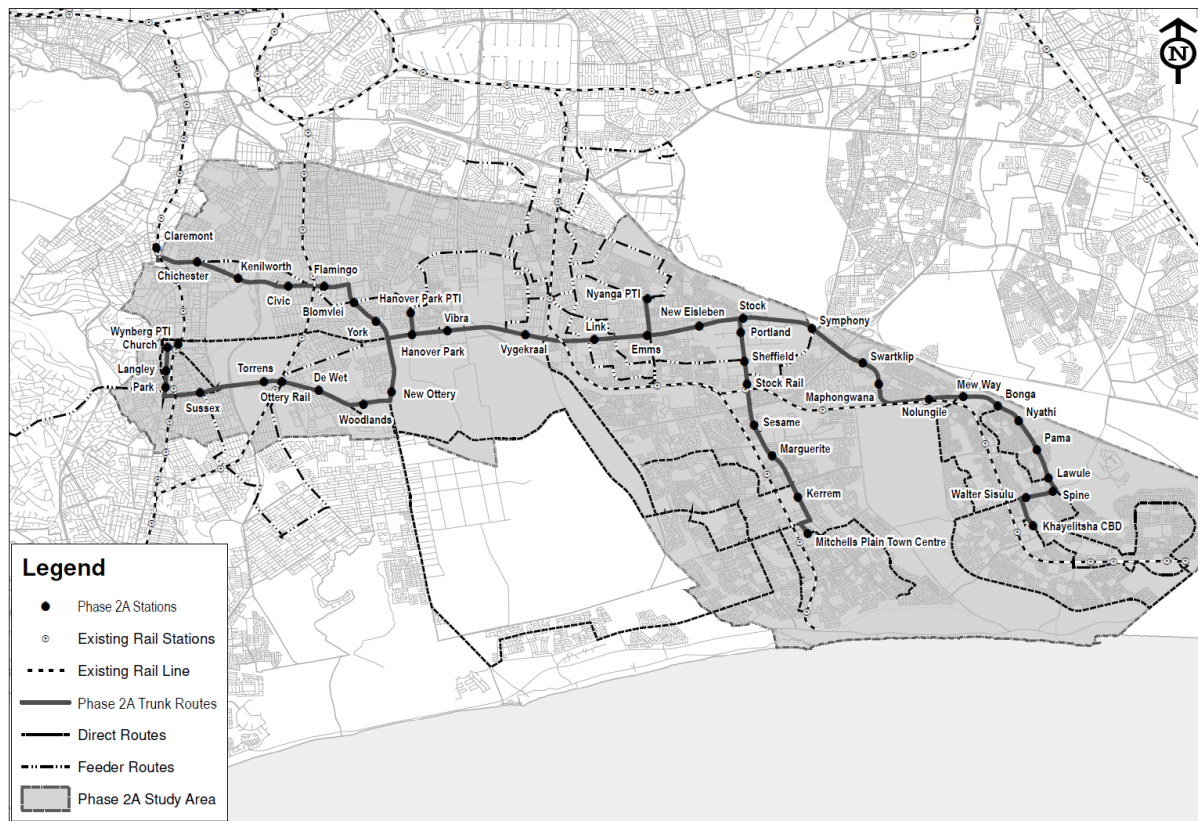
- **Densification along key transport corridors**

The Integrated Public Transport Network (IPTN) designs the long-term public transport network plan based on land use modelling, which projects the future location of residential and non-residential land uses. The current IPTN is based on a land use scenario, which requires moderate densification and intensification of land use along corridors.

This plan is currently under review, taking a scenario-based approach that will identify the transport corridors required, no matter which scenario is realised. The reviewed IPTN will rely less on dedicated or exclusive MyCiTi corridors, and will include all forms of public transport including mini-bus taxis and Golden Arrow bus services.

The "PT areas" have been revised and approved, and create opportunities particularly for social housing projects in well-located areas around public transport nodes and in public transport corridors. Reduced parking requirements are automatic in these areas, with zero parking requirements in PT2 areas.

Land restitution projects are generally in well-located areas and are important mechanisms to support the intensification of land use to support the public transport services.

- **TRAs and transport linkages**

Integrated planning between Transport and Human Settlements can ensure that TRAs are supported by accessing existing transport services.

3.4.2. Environmental management

The following issues link with implementation priorities for the Human Settlements Directorate:

- **Strandveld**

This area is critical for biodiversity and to meet national biodiversity targets, but the human settlements needs are also great in this area, and there is a high level of informality. The Metro Southeast Strandveld Conservation Implementation Plan outlines which areas should be protected, and which areas (unselected Strandveld) can be developed for human settlements. The plan also proposes a conservation land bank at Macassar Dunes East as an offset for larger projects.

Map 8: 2020 Metro Southeast Strandveld Conservation Implementation Plan (CIP)
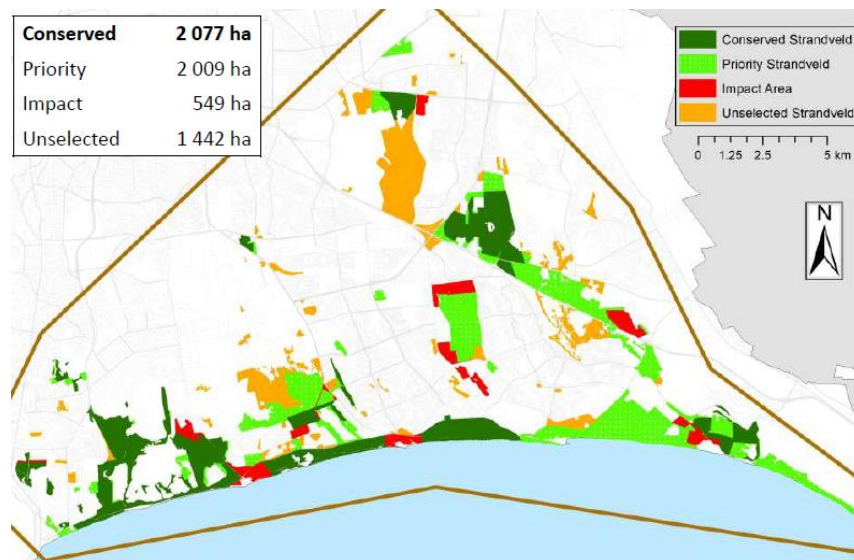
- **Swartklip**

Alignment with ACSA on the conservation portion of Swartklip is important, as pressure on the site is immense due to the strategic role in Metro Southeast.

- **Green procurement in human settlements projects**

The Green Procurement Action Plan (Outcome 9) is derived 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 building materials. Assistance could be

provided by Environmental Management in order to package human settlements projects to benefit from the Green Climate Fund for top-up funding for green technology.

- **Unlawful land occupations**

Unlawful land occupations threaten critical biodiversity areas. There is a need to collaborate in response to this trend by creating a supportive process with conservation partners, such as CapeNature and SANParks, to align and support efforts to counter unlawful land occupation of the City's green open spaces (as outlined within the City's Unlawful Land Occupation Framework).

3.4.3. Urban catalytic investment

Guided by the National Treasury's Catalytic Land Development Guideline (2018), Council approved the Catalytic Land Development Programme (CLDP) on 31 July 2019. The CLDP provides a spatial targeting mechanism and portfolio prioritisation framework (see Figure 3) to assess the potential of transit accessible precincts (TAPS) of the City's adopted Integration Zones: Voortrekker Road Corridor, Metro South East Corridor, Blue Downs Corridor, and Ph2A for residentially-led, dense, mixed-use development that is transit-oriented .

The outcome of that assessment proposed a portfolio of prioritised metropolitan, and sub-metropolitan, TOD precincts that form the basis of the City's CLDP. Three metropolitan-scale priority precincts were prioritised, namely Bellville Future City, the Philippi Opportunity Area, and the Gateway Catalytic Precinct; in addition to a portfolio of five sub-metropolitan precincts (secondary catalytic precincts): Claremont CBD, and the four C40 sites: Athlone CBD, Kapteinsklip, Moquet Farm Diep River, and Tygerdal Monte Vista.

Figure 3: TOD Portfolio Prioritisation Framework
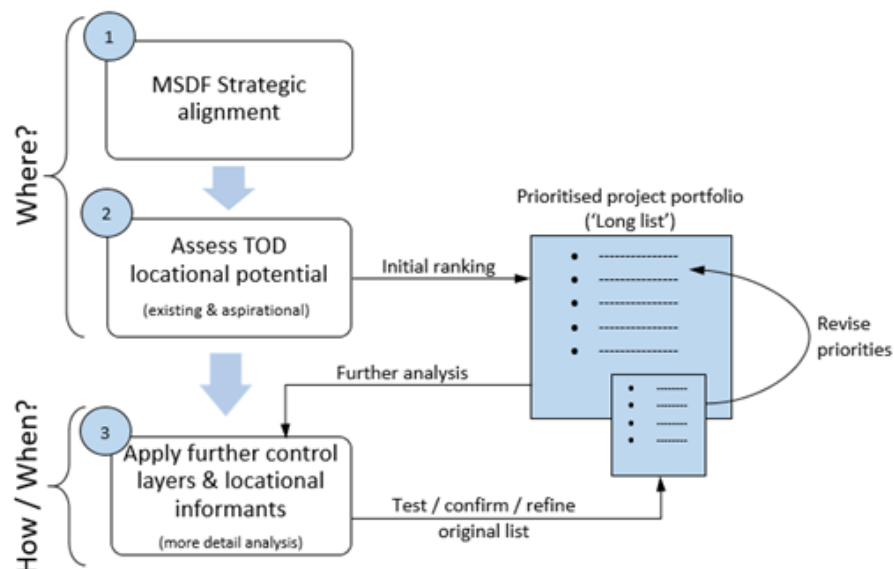
Figure 4: Catalytic Land Development Pipeline
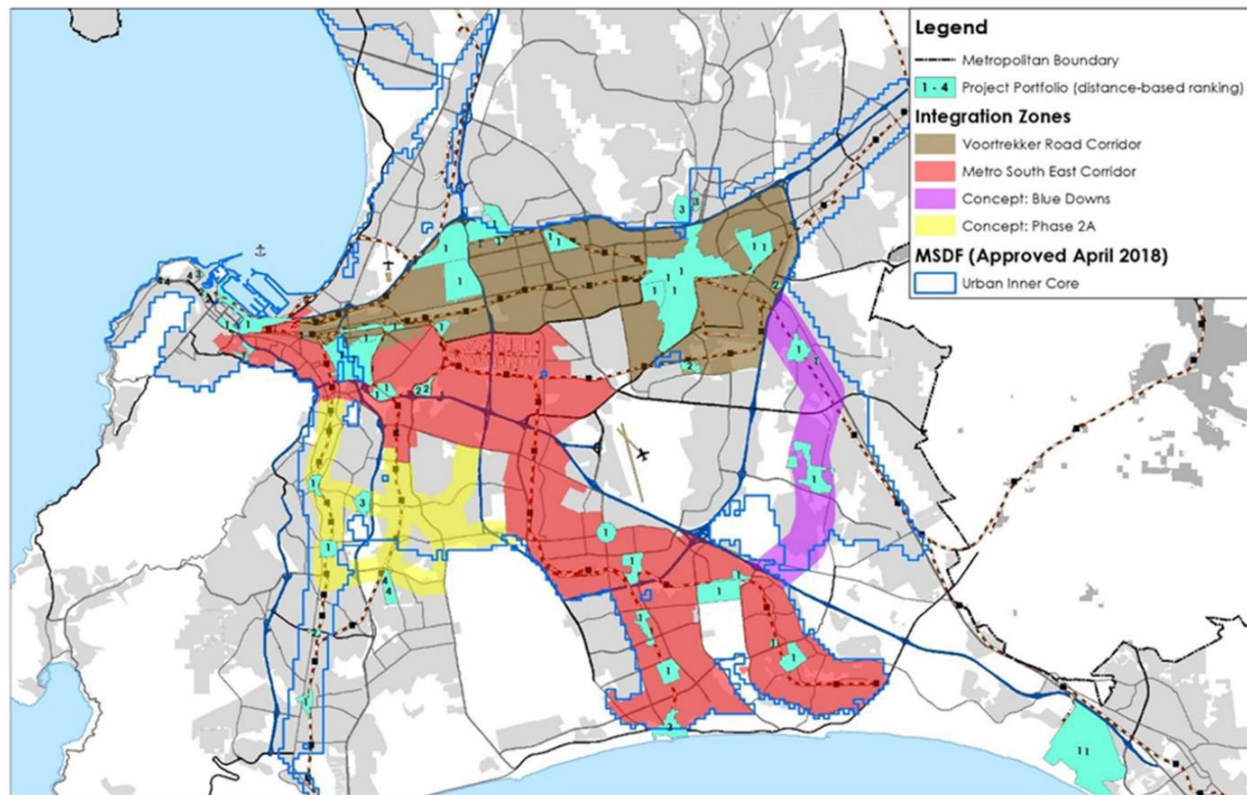
Given the significant potential of the CLDP to deliver a diverse mix of housing typologies and tenures over the medium and long term, it is important for the Human Settlements Directorate to make key linkages to these catalytic precincts and to ensure that these priorities are considered in our future housing planning. The key linkages for the Human Settlements Sector Plan include:

Metropolitan Catalytic Precincts

Bellville Future City

The medium- to long-term regeneration of Bellville CBD provides significant opportunities for mixed-tenure residential development as part of the comprehensive proposals for planning and enablement of the city's second metropolitan node. In the longer-term Bellville Future City will accommodate approximately 50 000 housing opportunities for varying income groups. Housing typologies include open market, affordable student accommodation (given the strong market demand for and cluster of tertiary academic institutions locally), social housing, and affordable/ GAP/ FLISP housing.

Philippi Opportunity Area

A key component of the Philippi Opportunity Area (POA) Regeneration Framework is an overarching strategy for human settlements, the POA Housing Framework, developed in partnership with the Human Settlements Directorate. The plan proposes a range of housing interventions, including infill opportunities to enable greater densification and intensification of

land use, whilst clustering public facilities, unlocking economic opportunities, and addressing encroachments experienced locally (e.g. Borchards Quarry, Philippi Station, Site C, and Symphony Way). The POA Housing Framework could enable approximately 10 000 housing opportunities.

In accordance with the IDP's initiative of supporting emerging SMME developers of small-scale rental accommodation, the Urban Catalytic Investment department is accelerating the planning and project packaging of the Terminus Road and Sports Road schemes located on City-owned Erf 5268 immediately north of Stock Road Station and Joe Qgabi PTI, providing for approximately 1000 units of mixed-income housing in a phased approach to land release that targets emerging micro developers as part of the Mayoral Priority Programme for Accelerated Land Release.

Gateway Catalytic Precinct

The Gateway Catalytic Precinct provides a long-term development vision for the western precinct of the CBD/Central City and surrounds, an area with considerable potential for catalytic investment, whilst also supporting other City objectives associated with stimulating economic recovery of the CBD, with significant potential to contribute to the City's spatial transformation objectives.

Implementation of the Gateway Precinct supports a number of IDP objectives and programmes, including stimulating economic recovery of the CBD and increasing the supply of affordable, well-located housing, contributing to the City's spatial transformation objective of 'A more spatially integrated and inclusive city'.

The development vision proposes the comprehensive regeneration of blighted parts of De Waterkant, in addition to parts of the Bo-Kaap, with a heritage-sensitive, residentially led, mixed-use scheme that leverages the City's significant land holdings with the potential to deliver approximately 4,000 units of residential accommodation..

Local Catalytic Precincts

Although the exact potential for the number of housing opportunities within the local catalytic precincts is being determined, the following section provides an overview of the progress associated with the City's local catalytic precincts..

C40 Reinventing Cities Initiative

Athlone CBD Catalytic Precinct

Urban Catalytic Investment developed an Urban Design Vision (2022) for the Athlone CBD aligned to the City's transit-oriented development objectives as per the TOD Strategic Framework.. The study area includes a City-owned erf as part of the Council approved C40 Reinventing Cities Initiative abutting the Athlone rail station. Opportunities were identified to provide an additional 1 600 residential opportunities in the Athlone CBD and Athlone Stadium precinct.

Diep River Catalytic Precinct

Urban Catalytic Investment developed an Urban Design Vision (2022) for the public land in Diep River in line with transit-oriented development objectives per the TOD Strategic Framework. The study area includes the Council-approved C40 Reinventing Cities site (Moquet Farm) in close proximity to the Diep River station. Opportunities were identified to provide approximately 1 100 residential opportunities. .

Kapteinsklip

The Kapteinsklip Development Framework forms part of the C40 Reinventing Cities Initiative portfolio and includes an opportunity site of 30 ha that will undergo a phased development approach:

 Leverage unique coastal location

 Integrate with other coastal nodes

 Public realm improvements – safe NMT towards Mnandi

 Development framework, zoning and EIA in place, 2018 and

 Disused railway servitude

Tygerdal, Monte Vista

Tygerdal is the forth site forming part of the City's successful C40 Reinventing Cities Initiative. The following technical considerations are pertinent for the Tygerdal, Monte Vista development:

- 7,6 ha inextent
- Leverage highly accessible location
- Stormwater function – multifunctional amenity
- Open space interface
- Station forecourt – Park & Ride facility (multipurpose parking opportunity)
- Mix of uses/densities/typologies and
- Active uses at station to facilitate safer environment

3.4.4. Community Services and Health

The Community Services and Health Infrastructure Plan articulates the Community Services and Health Directorate's infrastructure and investment plan to respond to the social needs of the City's residents. The plan has a short-, medium-, and long-term frame covering a fifteen-year period, and will be reviewed every five years. The plan is based on an analysis of facility standards, accessibility modelling, and appropriate spatial location planning.

Future investment in the social facilities will be guided by an integrated approach to planning and facilities, and focuses on:

- Precinct planning and development (greatest need, optimisation, City spatial priority), and capitalising on other City infrastructure and development (including transit-oriented development, human settlements development, and informal settlements priorities)

- Expanding capacity through upgrading/extending and through new facilities where this is needed most
- Developing optimised new models of co-location and clustering as well as multilevel facilities
- Addressing existing built-up areas rather developing new facilities on the outskirts of the city
- The provision of appropriate social services facilities to informal settlements aligned with the Informal Settlements Department.

Based on the analysis done in the Community Services and Health Infrastructure Plan, the following precincts have been prioritised:

Table 17: Prioritised community services and health infrastructure precincts

Community Services & Health Precincts per Area				
	Area 1: North	Area 2: East	Area 3: Central	Area 4: South
Backlog	Atlantis (19) Du Noon (15) Hout Bay (13) Wallacedene (4)	Enkanini (8) Khayelitsha Site B (1) Khayelitsha Site C (2) Mfuleni (5) Nomzamo (11)	Manenberg (18) Nyanga/ Gugulethu (6) Hanover Park (14) Elsies River/Bishop Lavis (10) Delft (7) Blue Downs (3) Belhar (12)	Phillippi (9) Seawinds (16) Pelican Park (17)
Optimisation		Khayelitsha CBD	Bellville	Mitchells Plain TC Claremont CBD Wynberg CBD

*Refer to Annexure 1 for scoring.

3.4.5. Energy and Climate Change

3.4.5.1. Building efficiency

Through the Net Zero Carbon Buildings Declaration, the City is committed to ensuring that all new facilities owned, occupied and developed by the municipality are net-zero carbon in operation by 2030, and that to the extent possible the same is true for existing facilities. As such, there is a need for specifications to be developed to ensure all new buildings meet more stringent energy efficiency levels. Consideration should be on reducing energy demand in and the running costs of housing through a range of low-cost and no-cost interventions such as passive design, higher-performance building envelopes, energy-efficient lighting, insulation (particularly with installation of ceilings), ensuring natural lighting, and installation of low-pressure solar water heaters.

3.4.5.2 Low-income energy services

The cost of energy is a major burden on the finances of low-income households and the effects of energy poverty are associated with numerous negative societal impacts such as health, increased risk of fire, electrocution, diminished education, lack of access to digital communication and linked economic opportunities. The provision of housing should not be separated from the provision and safe use of affordable, clean and safe energy services. The provision of a minimum level of energy services to the poor/indigent households should be included in the City's basket of basic services and this should extend to informal housing, which for one reason or another cannot be electrified with access to free basic electricity. The national Free Basic Alternative Energy (FBAE) Policy encourages municipalities to provide a minimum level of subsidised alternative energy where there is no electrification. Alternative energy services to the provision of grid electricity such as LPG and solar water heaters should be considered in cases where the provision of this alternative energy is more cost effective, reduces fire risks and improves climate resilience. Education regarding the safety of electrical appliances and infrastructure and electricity tariffs and subsidies is an important aspect in reducing energy poverty and its effects.

3.4.5.3. Informal settlements

The City of Cape Town has many informal settlements that are located on floodplains with insufficient waste and drainage networks, causing increased flooding during the rainy season. This results in the loss of informal housing, soil erosion, poor water quality, injury and death, damage to public infrastructure, population displacement and the spread of diseases. In response to the abovementioned challenges, the City will implement informal settlements upgrading programmes that seek to promote more resilience and better adaptation to climate change of informal settlements. Interventions to be implemented include good-quality urban infrastructure and services design coupled with better housing quality in terms of housing design and materials utilised, especially building materials that can act as fire retardants. In addition, the City will consider relocation of informal settlements located in high-risk areas such as the floodplains if it is found to be impossible to provide services and would result in the construction of infrastructure at disproportionate cost. It should also be noted that the City is still developing a Building By-law relating to safety and sustainability of informal settlements.

3.4.5.4. Building materials and design

It is proposed that in order to promote sustainability, the environmental and social impact of the combination of proposed building materials should be taken into consideration when assessing building plans. In addition, spatial and architectural design such as north orientation, passive heating and cooling via roof overhang and window design, insulation and ventilation should also be utilised as criteria for assessing building plans. Research conducted by Mark Jackson of UrbanAfrica.Net, which is detailed in the table below, resulted in the development of a list of current building regulation norms and standards. This included proposals for areas that can be improved in order to achieve efficient and sustainable housing design. These proposals can either be incorporated in the proposed Building By-law or form the basis for the development of a policy in this regard. The City has various examples of integrating and incorporating resource efficiency and environmental sustainability features in the design and construction of City-led subsidised housing projects such as the Ocean View housing project, which was selected as a World Design Capital 2014 project. Table Mountain sandstone excavated from the site was used to build

affordable, resource-efficient and comfortable homes for qualifying beneficiaries. As far as possible, new settlement layouts are predominantly north-facing, allowing effective passive solar design of buildings, an increase in comfort levels, and a reduction in energy needs. Community involvement in decisions with regard to the planning and design of new housing projects is vital.

Table 18: Summary table of regulations and guidelines

ISSUE	CONSTRAINT	OPPORTUNITY
FORM	Minimum 40 m² floor area, two bedrooms	Materials very loosely defined
	Separate bathroom (toilet, shower and hand basin)	Form not defined
	Combined living area and kitchen (wash basin and electricity supply)	Construction by certified builders who have warranties for roof leakage (one year), major structural defects (five years) and non-compliance (three months)
	Built on favourable soil conditions	
	Maximum of 10 metres from a municipal water and sewage connection	
	Safe foundation for load and damp resistance	
	Water- and weather-resistant facade. Minimum window footage and controllable ventilation at 5% of floor area. One at least 0,1 m²	
	Wall height of 2,4 m minimum and ceiling height of 2,1 m minimum	
ENERGY	Efficient and safe is the aim	Installation of 110-150 Wh/day of solar in much of SA at R2 500 - R4 000
	Free basic provision to applicable houses on grid or off (50 kWh per month)	Combined board and meter as electricity control unit
	230 V preferable within 207 V – 253 V flexible range at point of supply	Efficient lighting, heating and cooking designs
	Single- or three-phase system	Bulk supply of LNG, cheaper and safer than most sources
	Grid extension cost at R20 000 - R55 000 per km	Renewable source (wind, solar, biofuels)
	50% of water heating should be supplied by means other than electrical resistance	Solar water heating (40% of average household energy consumption), subsidised with 4- to 5-year payback period
WATER	Single standpipe per stand	Rainwater collection with filters
	Minimum 25 litres p/per day (realistically 80 - 145).	Wind water pumps optimal balance between cost and maintenance
	Contamination protection	

	Aesthetic water acceptability (Class 0 -1)	
	Water at 200 kPa or greater, and >43 degrees	
DRAINAGE	Minimise downstream impact, do not damage natural flows	Promote permeability, maintain vegetation
	Runoff conveyed >1,5 m from structure	Store and control runoff
	Prevent pollution	
SANITATION	Human right. Should be reliable, acceptable, appropriate, affordable and sustainable in the eyes of the user	Non-conveyance toilet options (ventilated double toilet, vault toilet, urine diversion toilet)
	Toilet facility for each household	Low-flow conveyance toilets. Low-tech and low-maintenance solutions with future upgradability
	Minimal environmental impact	Possibilities for greywater ponding, permeability, soakaways, and gardening (for produce not eaten raw)
	Adequate disposal of wastewater	
	Shared sewage connections	
	4- to 10-year emptying and maintenance cycle	
	Separate greywater conveyance. Generated at 20-60 litres p/per day	
SUSTAINABILITY	Appropriate orientation. Long axis east/west	Encourage long-term investment in house with improved efficiency. Better material usage reduces economic load on inhabitants
	Energy efficiency through windows, skylights and low-wattage lightbulbs	Environmental quality and sustainability
	Thermal efficiency: Appropriate overhangs (northern side), fenestration (R2,2 or masonry at R0,35 > 140 mm thick. Roofing > R3,7. Floors > R1,0 at 300 mm thick)	Improves health and safety of building
	Passive housing design	
SAFETY	Protection and evacuation of occupants in case of fire. Limit the spread	Building materials that are more resistant to fire and therefore protect neighbouring properties
	Safe air quality through ventilation. For damp and smoke	Health improvement and disease reduction through improved air flow
	Humidity compensation	Visibility and connectivity
	Street lighting or communal high-mast lighting	

FUNDING	Multiple funding options with constraints	Multiple subsidy options available around community and self-construction as well as social housing buy-in
	Family earning less than R3 500 per month can qualify for a subsidy of up to R160 573.	In-situ options available for informal areas
	Subsidies linked with down payments (FLISP) can amount to between R20 000 and R87 000.	

The City's Climate Change Strategy was approved by Council in 2021 and it provides high-level strategic guidance for decision making, planning, and programme and project development and implementation in respect of climate change. This strategy should be read in conjunction with the City's Climate Change Action Plan, which provides a higher level of detail in terms of specific actions that will be implemented to achieve the vision, desired outcomes and goals of this strategy. The table below illustrates the action items for which Human Settlements was identified to play a leading role in achieving the desired goals.

Table 19: Climate Change Action Plan Strategic Focus Areas where Human Settlements plays a leading role

Strategic Focus Areas	Goal(s)	Action(s)	Lead directorate/ department	Supporting departments/directorates
SFA 6: SPATIAL AND RESOURCE INCLUSIVITY	**Goal 10:** Densify mass transit routes through mixed-use developments that support public transport and include social housing	**Action 10.2:** Promote and support integrated human settlement development that is climate responsive	Human Settlements Directorate	• Resilience • Sustainable Energy Markets (Climate Change Team) • Water and Sanitation • Solid Waste Management • Development Management • Property Management • Urban Planning and Design • Social Development • Recreation and Parks
SFA 8: ZERO-EMISSION BUILDINGS AND PRECINCTS	**Goal 15:** All new buildings (residential, commercial) to be net zero carbon by 2030	**Action 15.3:** Work to ensure that state-subsidised housing (including social housing, public rental housing and Breaking New Ground [BNG] housing) is energy efficient and climate resilient and that low-income residents have equitable access to essential services	Human Settlements Directorate	• Sustainable Energy Markets • Environmental Management • Resilience • Development Management

3.4.6. *Water and sanitation*

The core business processes of the Informal Settlements Basic Services branch are as follows:
- The installation of taps and toilets as part of a yearly capital budget
- The servicing of sanitation facilities
- The repair and maintenance of water and sanitation facilities in all informal settlements across the city
- The employment of EPWP janitors responsible for the cleaning and servicing of water and sanitation

In terms of the provision of water services across the city, up to 93% of households living in informal settlements have access to water service points. According to the National Norms and Standards, these taps need to be within 200 m walking distance of a household. Some 84% of households are provided with communal taps within 100 m walking distance.

Concerning sanitation, more than 80% of households in informal settlements are provided with toilets at a ratio of 1:5 through different types of sanitation typologies, and 11% of households have a 1:1 ratio in the form of PFTs. The quality of water service and sanitation services is linked to the ratios met as per prescribed national norms and standards and the City of Cape Town standards for service provision.

Some of the constraints that affect the provision of water and sanitation include:

- *Infrastructure constraints:* Illegal connections cause low pressure flow for water; unavailability of bulk services; vandalism and theft
- *On-site constraints:* Lack of an effective informal settlements profile and centralised database; land ownership issues; high densities of areas of informality and/or informal settlements prohibit the erection of engineering services; lack of space; constant blockages due to either overflow or negligence by community members who dispose foreign objects in toilets and gullies of taps
- *Political constraints:* Conflicting political views/leadership issues; community attitudes towards the suitability of alternative sanitation typology; community rejection/opposing views on the typology/sanitation system; lack of ownership of the installed infrastructure in areas of informality; continuous protest actions; community acceptance of various proposed/alternative water and sanitation mechanisms
- *Operational constraints:* Incorrect reporting of faults; staff capacity constraints; fleet turnover time; lack of funding/insufficient budget provided for certain units
- *Conflicting operational mandates:* Risks and future development planning (re-blocking, UISP upgrading, relocation)
- *Human resources:* Lack of human capital hampers the rate of service delivery thus creating delays and disrupting operational efficiency
- *Natural disasters, physical and unforeseen parameters:* Drought; fire damage; unsuitable topography; unsuitable geological conditions; grey water management issues

3.4.7. Property Management

Property Management is the custodian of all land and building assets, and manages the process of reservations of City land/buildings for various directorates, or the acquisition of land as well as the disposal of City land/buildings to external parties.

One of the Mayoral Priority Programmes for this term of office is City land released for affordable housing. The Human Settlements Directorate and Economic Growth Directorate (which the Property Management Department is part of) are collaborating to identify, reserve and dispose of well-located City land for the development of affordable housing. As part of this collaboration, City land can be released at a discounted rate for the development of social housing. This ensures that land costs are significantly reduced, thus enabling the financial sustainability of social housing in well-located areas – where the land would otherwise be prohibitively expensive.

3.5 HUMAN SETTLEMENTS STRATEGY

The City developed a Human Settlements Strategy (HSS) in an attempt to address the current challenges within the Cape Town housing market and to enable the development of integrated communities and support sustainable city development. In May 2021, Council approved the HSS that sets out a new strategic direction for human settlements delivery in the City of Cape Town, and proposes various interventions to achieve this new vision – which is to scale up the delivery of affordable housing opportunities and to enable the building of integrated human settlements. The strategy further determines that the City's ability to influence human settlements is based on three primary roles:

1. As a **provider** of state-subsidised housing;
2. As an **enabler** of urban upgrading that convenes a wide variety of actors; and
3. As a **regulator** of the built environment.

Traditionally, the City's Human Settlements Directorate has focused solely on the City's role as a provider of human settlements and the strategy has been developed with a view to facilitate and support this positive change.

The strategy sets out to achieve the following seven objectives:

- Objective One: Human settlements that provide 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

In addition, the HSS presents seven strategic shifts within the City administration necessary to achieve its desired outcome, namely:

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.

The HSS is a transversal strategy and therefore speaks to the role of all directorates in the City in contributing to the aims of the strategy. Accordingly, the strategy is supported by an implementation plan that outlines the proposed strategy interventions, the role-players involved, and the capacitation required to fulfil the commitments of the strategy. During the drafting of the HSS Implementation Plan. it was important to take into consideration the current narrative and priorities of the City since the approval of the strategy in 2021. Where necessary, proposed activities were amended to align with the City's existing priorities (IDP programmes and Mayoral Priority Programmes) in order to ensure alignment with core City priorities and budget processes. The development and evaluation of the HSS Strategy Implementation Plan will therefore be an iterative process that will require regular review to ensure current realities are taken into consideration, whilst still aiming to achieve the core objectives of the strategy.

All activities contained in the Implementation Plan are considered to be important actions to fulfil the City's vision of developing integrated sustainable human settlements. However, in an environment of limited resources not every programme can be a priority. Part of the vision-setting process is to be aspirational, despite the current limitations one is faced with. As such, certain desired outcomes will have to undergo further exploration/work or will have dependencies and will only be implemented in the medium to long term.

The HSS Implementation Plan acknowledges these realities and is thus deemed as a dynamic, long-term programme of activities. The prioritisation of activities will take the following criteria into consideration in determining its priority status:

- **Links to the IDP, Mayoral Priority Programmes and budget priorities of the City**

  Activities that are linked to the new term-of-office IDP and the Mayoral Priority Programmes must receive priority status as the organisation as a whole will gear itself to align priorities and budget to achieve these interventions in accordance with the IDP cycle.

- **Sector Plans and available budget**

  Directorates' respective Sector Plans and approved and projected budget will be key informants to determine the prioritisation of activities. Therefore it is proposed that activities that are alluded to in directorates' respective Sector Plans should be prioritised.

- **Mandate**

  Activities that are linked to a directorate's current core mandate within the organisation should be prioritised as far as possible. However, its implementation will be subject to available resources.

- **Cost effectiveness**

  Actions that are cost effective and can result in reduced costs through revenue generation, operational savings (e.g. energy efficiency) or avoided risk (e.g. flood and fire risk reduction) should be prioritised as current budget constraints are likely to persist.

- **High impact**

  Actions that will contribute significantly to Cape Town's affordable housing objectives should be included as a priority.

- **Realistic and achievable**

  Activities that are easily implementable should be prioritised. This suggests that current systems and processes are in place to ensure the execution of an activity within the short to medium term.

In addition, a Monitoring and Evaluation Framework will be developed to assess and track the overall performance of the HSS objectives over time.

The strategy, with its proposed interventions as outlined in the Implementation Plan, will guide the directorate's plans over the short, medium and long term.

The following have been identified as key programme outputs for the Human Settlements Directorate to focus on over the next five years:

- ➢ Strengthen the Informal settlements upgrading pipeline
- ➢ Draft an Emergency Housing Framework
- ➢ Promote security of tenure within informal settlements
- ➢ Ensure data system mapping in informal settlements
- ➢ Effectively implement BNG and EPHP housing projects
- ➢ Incentivise the private sector to cater for the FLISP/GAP market
- ➢ Increase transfer of ownership of City saleable rental stock
- ➢ Improve management and maintenance of public rental housing

➢ Develop a Social Housing Policy to enable greater delivery of affordable rental housing
➢ Improve transfer of tenure and regularisation of beneficiaries in state-subsidised housing opportunities
➢ Develop a policy position on the administration and service provision of backyard structures on public housing properties
➢ Develop an Inclusionary Housing Policy with the aim to incentivise the private sector to develop affordable housing in well-located areas of the city.

3.6 STRATEGIC INTENT

The Integrated Human Settlements Sector Plan (IHSSP) for the City of Cape Town aims to respond to housing challenges and also direct human settlements development within the City, resulting in improved, integrated and sustainable human settlements. The following key objectives have been adopted and will enable the realisation of the abovementioned vision.

1. **Develop an adaptable approach to the delivery of a variety of housing typologies, cognisant to changing market and public funding models**
   - Determine the prioritisation of housing typologies that are responsive to demand and changing contexts, and are based on transversal City objectives, spatial form imperatives and funding options
   - Confirm the operational approach and maintenance regime for public rental stock and hostels

2. **Contribute to the intensification and densification of the spatial form of the city through developing or enabling formal housing supply**
   - Acquire and contribute to the strategic disposal of land parcels with the intent to facilitate the development of affordable housing opportunities
   - Enable the development of well-located, sustainable social housing opportunities in line with the MSDF
   - Facilitate and/or develop integrated, subsidised housing in well-located areas
   - Enable the development of well-located, high-density, affordable housing by the private sector

3. **Incrementally upgrade informal areas**
   - Outline the strategic approach to the upgrade of informal settlements that facilitates a proactive response to informal settlement development
   - Determine the framework for the servicing of all backyard sites on City-owned land
   - Consolidate a dynamic repository of data relevant to informal settlement development
   - Develop a functional regime for emergency housing provision

4. **Enable access of residents to housing opportunities with security of tenure**
   - Eradicate the backlog of outstanding title deed transfers
   - Rationalise and regularise the security of tenure programme
   - Install a dynamic Housing Needs Register that can be utilised as a proactive planning tool

4. HUMAN SETTLEMENTS STRATEGIC RESPONSE

The assessment and contextual analysis conducted in the previous sections highlight the socio-economic and spatial disparities in the city. The provision of housing and the structuring of integrated human settlements are critical to responding to the marginalisation – social, economic and spatial – that many communities and households experience. Building integrated communities means proactively and directly working to reverse the long-term effects of apartheid spatial and social engineering to improve all Cape Town residents' quality of life.

Yet, building such integrated communities is a complex process influenced by the cultural, environmental, social and economic contexts of communities in the city. An effective human settlements response also needs to be holistically supported by interventions by other City directorates, as highlighted in the transversal HSS approved by Council in 2021. In addition, it presents opportunities to consider and incorporate further approaches and principles related to climate change, resource efficiency, green infrastructure, resilience, and environmental management.

As part of the directorate's response to the housing challenge in the City, the sections below outline interventions that are being planned and implemented in order to meet the strategic intent of the Sector Plan.

4.1. CITY'S SHORT-TERM INTERVENTIONS (2022/23 – 2026/27)

In response to the current housing challenges, the Human Settlements Directorate of the City of Cape Town has implemented certain interventions based on respective housing programmes and these are discussed below.

Notably, the provision of state-subsidised housing is one of Government's core pro-poor programmes adopted in 1994. This programme helps households to access housing opportunities with secure tenure in the form of ownership or rental tenure. Although the initial housing programmes have dealt largely with the poorest households (those earning less than R3 500 per month), there was a realisation that a greater focus is also necessary for middle-income households (those earning between R3 501 and R22 000 per month). For this reason, the City has implemented a range of housing options – aligned with the National Housing Code 2009 – which includes the Integrated Residential Development Programme (that develops BNG housing typology), the UISP, community residential units (known as public rental housing), the Finance-Linked Individual Subsidy Programme (FLISP), and the Social Housing Programme, amongst others.

Government-subsidised housing programmes contribute towards the spatial form of the city, and thus need to be aligned with the Municipal Spatial Development Framework and District Spatial Plans. To encourage urban densification, the City endeavours to densify housing developments as far as possible within the parameters of the National Grant Funding Framework.

4.1.1. Land availability for human settlements

4.1.1.1. Land acquisition

Land is identified as a key driver in human settlements development for the City, as without adequate and suitable parcels of land the City would not be in a position to deliver affordable housing. This means that the development of a land pipeline is important for human settlements development; this process starts with the identification of vacant land parcels by district spatial planners. Identified land parcels are then assessed to determine their potential for human settlements development and those that are found to be suitable form part of the land pipeline.

The land pipeline becomes an informant for land acquisition that is in relation to land, and rights in land include the procurement or acquisition by purchasing, expropriation, devolution, exchange, donation or leasing (lease-in), but for the purpose of this document excludes land acquired as a result of a condition of a land use approval. The City is currently reviewing its land acquisition pipeline based on the vacant land study that has recently been completed. The next step will be to engage various spheres of government and state-owned entities on mechanisms of making their own land available for human settlements development purposes. To date, City-owned properties that can be utilised for human settlements purposes and reservation applications will be submitted based on instruction from implementing line departments within the Human Settlements Directorate. The next step will be to identify non-City-owned land parcels that will be acquired in future. This will be through purchasing of land from private owners and engagement with various spheres of government and state-owned entities on mechanisms of making their own land available for human settlements development purposes.

Mechanisms applicable to human settlements development are further discussed below.

a) Reservations

Land owned by Council is reserved for, amongst others, housing development so as not to be inadvertently sold. Map 9 depicts land parcels that have been reserved for human settlement purposes to date. However, it should be noted that some land parcels have already progressed into human settlement projects. As highlighted above, all City properties that can be utilised for human settlement projects have been identified, and reservations for relevant line departments in the Human Settlements Directorate are progressing. A comprehensive land identification process based on work informed by the MSDF and District Plans ensures that all available land parcels are scrutinised for their suitability for human settlements projects.

Map 9: City-owned land reserved for human settlement development
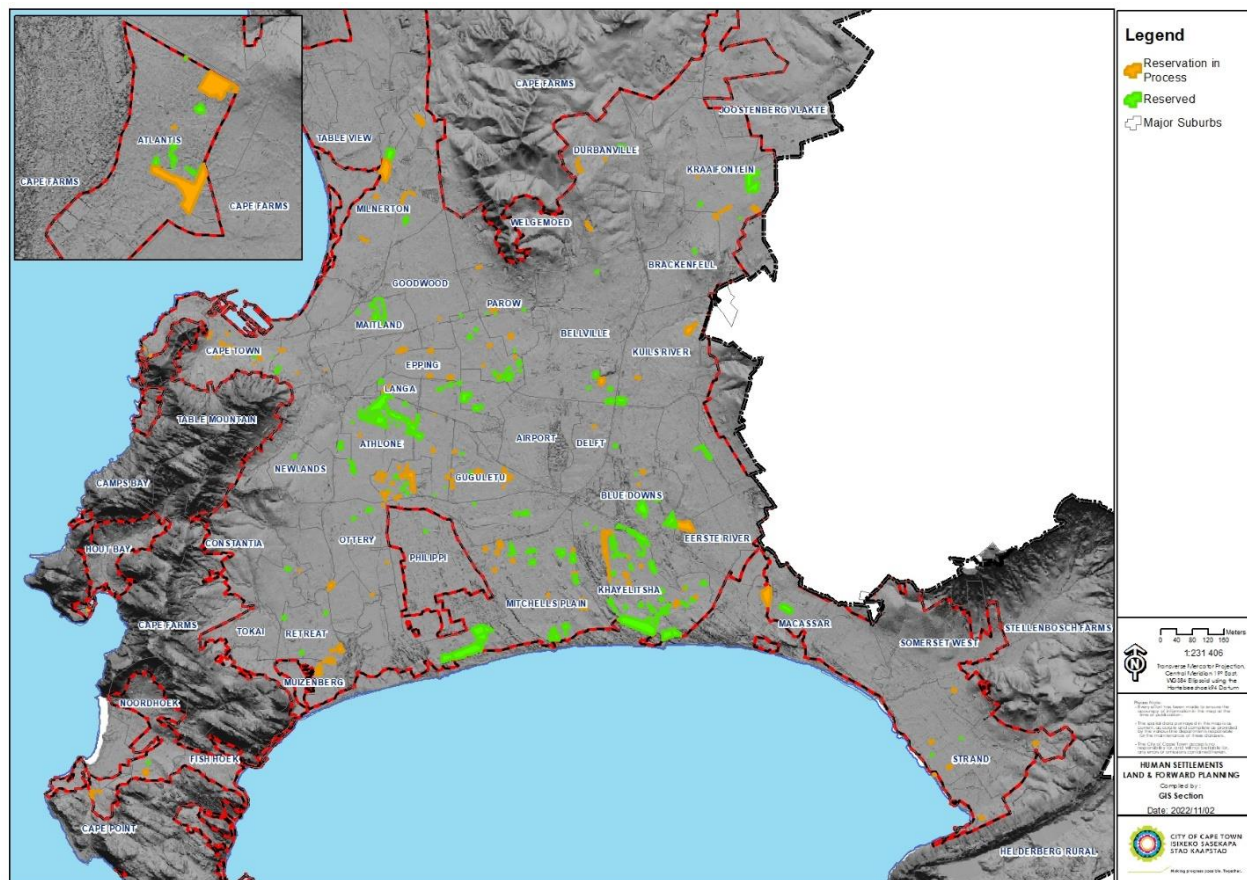
b)   Transfers or devolutions

Land owned by another sphere of government or by a state enterprise, and which is surplus to the needs of that government sphere or enterprise (i.e. not core to its mandate), is often suitable for development. In such cases, the owner is approached with the aim of securing a transfer between the relevant organs of state. At times, this involves some compensation but typically, the asset transfer is viewed as a gift. Most devolutions are found in the Cape Flats and Metro Southeast regions as shown in Map 10 and Table 20 below. These devolutions are done in terms of the provisions of section 15 of the Housing Act, which prescribes that immovable properties that were owned by the dissolved National Housing Board and transferred to the Provincial Housing Board, but have not yet been sold, must be transferred to the municipalities.

Map 10: Locality of properties devolved to date
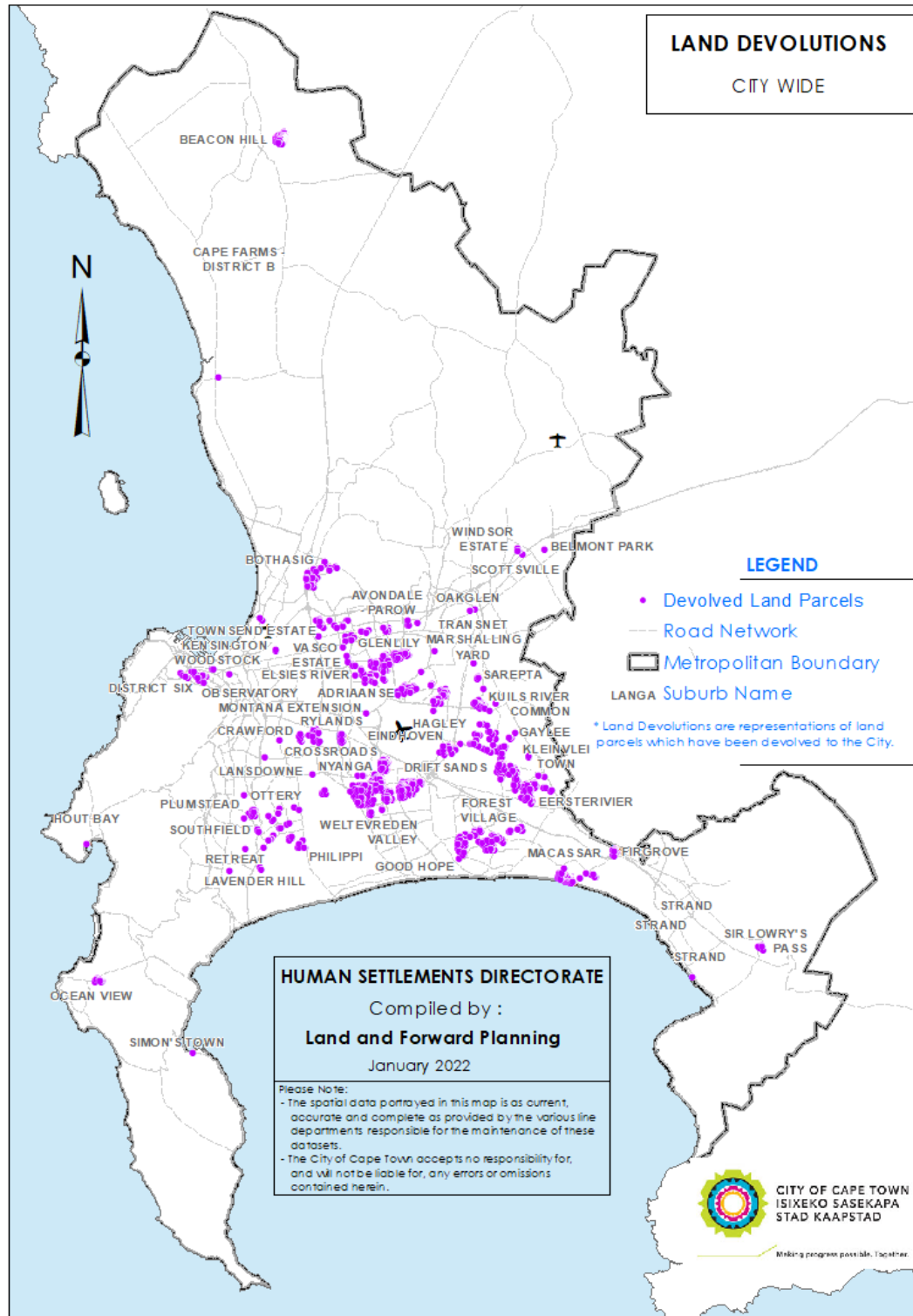
Table 20: Properties devolved to date

PERIOD	ALLOTMENT AREA	NUMBER OF PROPERTIES APPROVED	NUMBER OF PROPERTIES REGISTERED	HECTARES
2020/2021	**Delft Group Three**	323	NIL	6,7
2020/2021	**Delft Group Two**	107	NIL	110,2199
2019/2020	**Delft Group One**	126	117	72,5483
OCTOBER '17	**Philippi Browns Farm**	341	341	30,0083
AUGUST '17	**Philippi East**	205	205	49,9164
JUNE '17	**Stellenbosch RD**	15	15	27,3679
APRIL '17	**Delft 15**	15	15	0,8518
2020/2021	**Parow**	172	NIL	3,4684
MARCH '19	**Bellville**	77	70	21,0418
MARCH '19	**Cape Town**	90	90	16,2489
MARCH '19	**Gugulethu**	36	36	3,6786
MARCH '19	**Crossroads**	203	203	20,0147
MARCH '19	**Khayelitsha and Cape Road**	74	74	35,0636
OCTOBER '16	**Blue Downs, Weltevreden Valley and Cape Road**	175	175	39,4142
SEPTEMBER '15	**Weltevreden Valley**	26	26	3,6015
AUGUST '16	**Blue Downs, Khayelitsha and Matroosfontein**	50	50	91,5039
JULY '16	**Khayelitsha, Blue Downs and Kuils River**	144	144	85,8411
JUNE '16	**Ocean View, Melkbosch**	24	24	4,6247
MAY '16	**Highlands, Knole Park and Edward**	7	7	1,4322
APRIL '16	**Goodwood and Mitchells Plain**	34	34	6,4703
MARCH '16	**Sir Lowry's Pass, Goodwood, Kraaifontein, Gaylee, Grassy Park**	30	30	9,6579
FEBRUARY '16	**Goodwood, Pelikan Park**	41	41	27,2259
JANUARY '16	**Firgrove**	13	13	0,1728
DECEMBER '15	**Ottery, Eerste River, Cape Town District 6**	53	53	11,5038
NOVEMBER '15	**Blue Downs CBD, Milnerton**	13	13	63,0624
OCTOBER '15	**Goodwood**	1	1	0,0586
SEPTEMBER '15	**Goodwood, Milnerton**	52	52	74,2968
JULY '15	**Eerste River**	1	1	2,9705
JUNE '15	**Cape Town District 6, Goodwood, Eerste River**	6	6	3,6239
APRIL '15	**Kleinvlei, Stellenbosch RD, Goodwood, Milnerton, Eerste River**	26	26	6,6066
MARCH '15	**Goodwood, Cape Town (District Six), Wesfleur, Cape Town, Parow, Eerste River**	404	404	1168,9662
FEBRUARY '15	**Macassar, Eerste River**	486	486	152,8741
DECEMBER '14 & JANUARY '15	**Goodwood**	4	4	0,41
OCTOBER '14 & NOVEMBER '14	**Goodwood**	19	19	0,7
TOTAL		**3393**	**2775**	**2152,146**

c) Purchases

This relates to the acquisition of property or rights in property by the City from another landowner by mutual agreement based on the market value of the land. Acquisitions of this nature are managed by the Property Management Department within the Economic Growth Directorate in collaboration with the requesting/client department. Measures are being put in place for planned or proactive land acquisitions, which will feed into a consolidated land pipeline for future human settlement developments. However, each year, one or more unforeseen land purchases are also made. This tends to occur in response to a crisis, usually where service installation is urgently required.

d) Expropriation

Expropriation refers to the process of acquiring privately owned land in terms of the Expropriation Act, Act 63 of 1975 by the state for public projects, such as the building of railways, housing and roads. It can be undertaken either after the valuation of the property has been determined or after it becomes clear that a mutual agreement is not going to be achieved. In this process, ownership of land is transferred to the City once the expropriation notice is served on the owner. Although land expropriation is perceived to be a quicker process (100 days shorter than acquisitions by mutual agreement), it has not been widely utilised by the City for human settlements projects. The Property Management Department is responsible to manage the expropriation process on behalf of and in consultation with the client department.

4.1.1.2. Land availability and the Land Release Programme

The spatial analysis conducted in the District Plans Review process has indicated that there are currently 21 265 hectares of vacant land available, comprising 1 038 vacant land parcels in the City of Cape Town. These are vacant land parcels that are undeveloped and partially developed land based off the valuations 'vacant' land use codes that are either privately owned or state owned. The following components have been filtered: Servitudes, flood lines, environmental aspects, world heritage sites and the coastal edge. This information is currently being refined further to provide more information on ownership, extent, zoning, and proposed housing typology with possible housing opportunities to be created. This information will then be utilised to prioritise land reservation, acquisition and associated budget, and to develop a credible long-term land pipeline for human settlements.

In 2022, the Land Release for Affordable Housing Programme was initiated by the Executive Mayor as one of his electoral priorities. This programme aims to release well-located City land and buildings to the private sector[13] for the development of affordable housing, as well as to unlock enabling City mechanisms to support this land release. Through access to discounted City land and other City incentives, affordable housing development and management costs can be reduced, and many more households can benefit from well-located affordable housing.

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13 Private sector is defined as comprising SHIs/other development agencies, established private developers, and micro developers.

The Land Release Programme has four workstreams:

1. **Land release for social housing prioritised to enable** first tranche, second tranche readiness, land pipeline management and project packaging for medium- to long-term release.

2. **Land pipeline readiness for medium-term release to large/established developers** for social and mixed market housing.

3. **Creating the enabling environment to upscale the delivery of small-scale rental units and micro developments in Cape Town.**

4. **Maintaining an enabling environment for affordable housing developed by the private sector** through regulation, land selection criteria, incentives, legal mechanisms, compliant processes and market responsive RFPs.

4.1.2. National Human settlement priority/catalytic projects

The Southern Corridor, Northeastern Corridor and Voortrekker Integration Zone Social Housing (including Conradie) Integrated Human Settlement Programmes were approved by MINMEC on 1 February 2016 as part of the 50 catalytic programmes in the country that are being prioritised by the National Department of Human Settlements (see Map 11). These programmes emanated from a business plan that was compiled jointly by the WCG Department of Human Settlements (WCG DoHS) and the City of Cape Town (CCT), which was a tool for cooperation and coordination between these spheres of government and to help motivate support and funding for the programme at a national level. Although the business plan contained high-level programmes and cost estimates, it was not intended to be a financial viability or costing document. It brought together the principles, processes and strategies that are agreed between the different spheres of government to deliver significant human settlement solutions to areas of great need within the City of Cape Town metropolitan area.

In February 2017, the City received confirmation from the Housing Development Agency (HDA), endorsing three programmes with associated projects as shown in Map 11 below. The City has since prioritised these projects through the:

- provision of funding for bulk civil infrastructure in the Southern Corridor Programme that is mainly being implemented by WCG DoHS;
- provision of funding for bulk civil infrastructure in the Voortrekker Integration Zone Social Housing (including Conradie) Programme coupled with provision of City-owned land at discounted prices to SHIs who are implementing agents in this corridor; and
- development of the human settlement projects through the construction of all civil infrastructure and top structures in the Northeastern Corridor Programme.

Summary of progress on site in each corridor is provided below.

Catalytic Project 1: Southern Corridor Integrated Human Settlements Programme

The Southern Corridor Integrated Human Settlements Programme endorsed by the WCG and City is focused on the implementation in the short-medium term of 27 linked informal settlement upgrades benefiting more than 50 000 households residing in existing informal settlements close to Cape Town and in particular near the airport and along the N2 freeway. A number of these settlements intersect with the Metropolitan Southeast and the Blue Downs Integration Zones.

The main aim of the Southern Corridor Integrated Human Settlements Programme is to provide formal settlement solutions to residents of selected informal settlements, particularly near Cape Town airport and alongside the N2 freeway. These settlements are prioritised due to the age of settlement, size, density, poor services, fire risks and high need. The primary objective will be achieved through BNG housing development, in-situ upgrades and mixed-use Greenfields developments. Notably, housing opportunities have already been created at the Forest Village and Sweet Homes projects.

NDHS Catalytic Project 2: The Northeastern Corridor Public-Private Partnership

This is a large-scale public-private partnership programme aimed at delivering mixed-income housing and mixed land uses (including employment opportunities) in the northeastern growth corridor. The programme comprises three projects, namely Greenville, Darwin Road and Maroela that will be constructed across 12 Greenfields land parcels within a 5 km catchment area from each other, and are located close to the N1 and the Fisantekraal and Kraaifontein railway stations. It is envisaged that the programme will yield approximately 20 000 housing opportunities by means of a mix of housing programmes/typologies (including site-and-service, BNG, GAP and open-market). In this corridor, the Maroela South and Greenville projects are currently under construction.

Catalytic Project 3: The Voortrekker Road Corridor Integration Zone Social Housing

The VRCIZ has been identified as a regeneration corridor that directly links the Bellville and Cape Town central business districts. The initiative aims to redirect investment back to the corridor in order to address market failures, urban management issues and ineffective land use management strategies. A key component of the VRCIZ regeneration initiative – endorsed by NDHS – is supporting and promoting social housing, i.e. securing rental accommodation for lower-income households, managed by registered SHIs aimed at:

- securing public and private investment and enhancing urban management approaches;
- maximising the utilisation of existing social amenity and infrastructure networks;
- leveraging on the existing and planned public transport networks;
- supporting TOD principles and building integrated human settlements; and

- ensuring that greater numbers of communities are located in close proximity to public transport, employment and social amenities.

The following projects have either been developed or are still under construction in this corridor:
- Belhar Social Housing – the project has been completed and 629 social housing units were delivered
- Glenhaven Social Housing – this project has been completed and 512 social housing units were delivered.
- Conradie – project is still under construction and will deliver 1 236 social housing units

Map 11: Human settlement priority/catalytic projects within the City of Cape Town
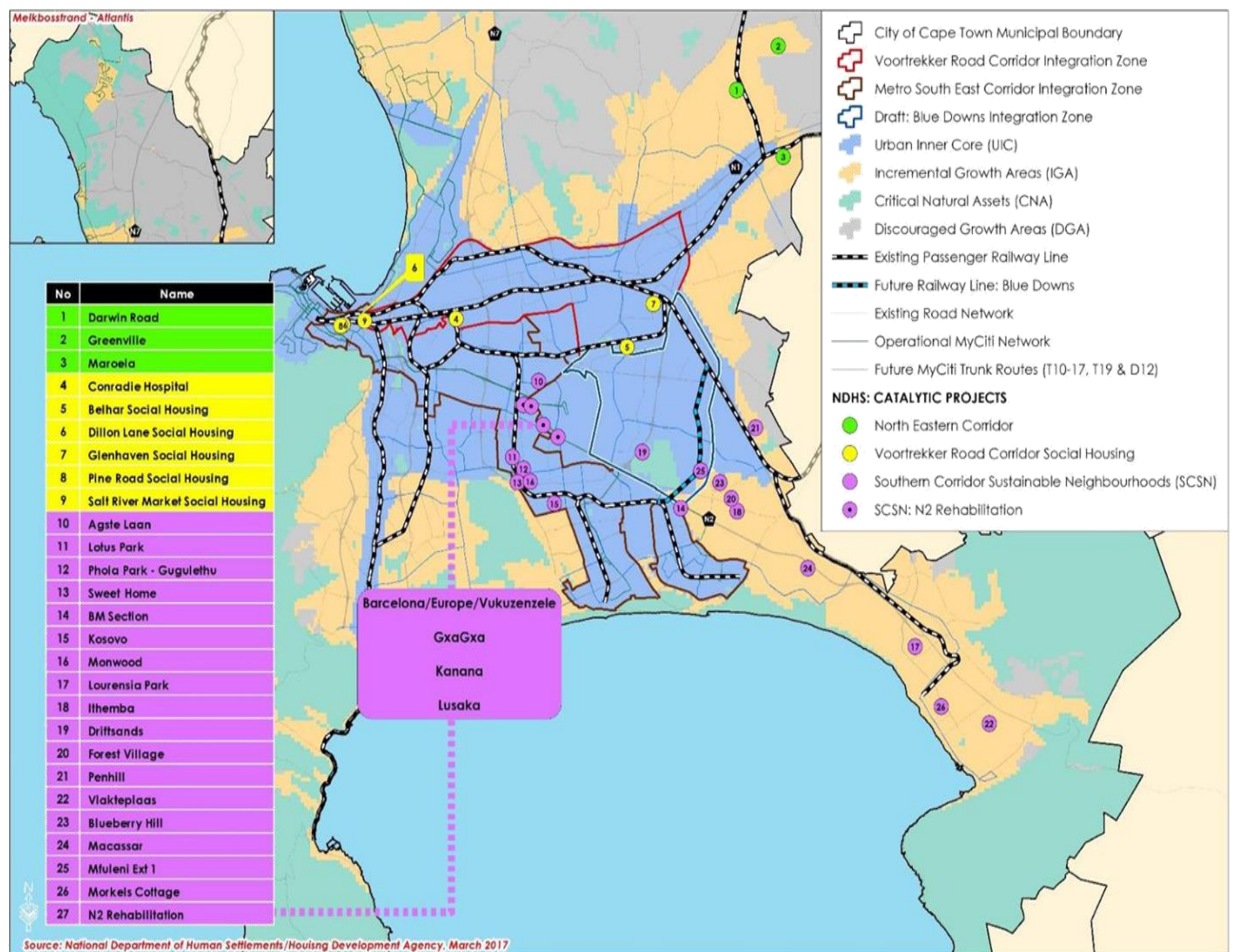
4.1.3 Formal housing development

The primary housing product that is currently being implemented by the City as well as the WCG Department of Human Settlements, is a BNG house developed in terms of the Integrated Residential Development Programme (IRDP) in the National Housing Code. This housing typology is targeted at households who earn R3 500 per month and below. BNG housing opportunities are funded by two national grant funding mechanisms, namely the HSDG – a capital grant towards to the development of the top structure and the USDG – which covers the cost of bulk infrastructure and installation of serviced sites. The BNG housing opportunities are allocated to qualifying beneficiaries registered on the City's Housing Needs Register, and selected in terms of the City's Allocation Policy: Housing Opportunities (2022).

A common challenge experienced in BNG projects is that many registered applicants selected for the project earn in excess of R3 500, which does not allow them to form part of the project.

Therefore, in 2012, the National Department of Human Settlements introduced the FLISP, which provides lower- and medium-income earners (R3 501 – R22 000 per month) with a substantial subsidy that can be used to purchase a property. In the Western Cape Province, the WCG Department of Human Settlements is currently administering the FLISP programme. Since the approval of the FLISP policy, this housing programme has been implemented within the City, but to a lesser degree as the success of the programme hinges on potential subsidy beneficiaries accessing mortgage finance, therefore being creditworthy. The latter challenge is not mutually exclusive to the City, but rather a nation-wide challenge. As a result, the National Minister of Human Settlements has introduced an amendment to the FLISP policy, which states that persons earning R3 501 to +/- R12 000 (lower GAP households) who cannot qualify for a mortgage, may receive transfer of a serviced site within a housing project at no cost to the beneficiary. This will be deemed as a once-off subsidy assistance to the beneficiary and they will therefore be liable for the development of their own house (top structure).

Despite the good intention of the abovementioned policy provision, it is not without its challenges. Most households who may qualify for a serviced site do not have the upfront capital to construct their house immediately or even within a two- to five-year period. These households would have to incrementally develop their house as and when they have the necessary capital, and as an interim measure erect an informal structure on the serviced site. In most instances the zoning scheme within formalised residential areas does not allow for incremental development, or due to NIMBYism, residents within the surrounding areas do not want informal structures to be erected alongside formalised housing. Households who fall within the lower GAP income bracket are therefore seen as a vulnerable group who is currently not adequately catered for in terms of ownership tenure programmes.

It is also important to note a policy shift at national level that will see HSDG-funded, standard BNG top structures being reserved for what National defines as the priority groups, i.e. elderly, disabled, child-headed households, and military veterans. Medium density top structures (two-storey, individual title units) may be constructed for applicants 30 years and older. However, due to the

diminishing HSDG there is a national directive to prioritise the provision and transfer of serviced sites to non-priority group applicants. This significant policy change has been driven by decreased grant funding for human settlements.

4.1.3.1. Breaking New Ground (BNG) Projects

The BNG housing projects are implemented in terms of the national housing programme, the IRDP. As mentioned above, this housing typology is currently the primary response to housing provision by the City of Cape Town as well as the Western Cape Government and it is targeted at households who earn a joint monthly income of R3 500 and below. This programme typically results in the delivery of top structures (semi-detached or double-storey houses) where ownership is transferred into the name of the approved beneficiary.

The delivery of subsidised housing depends on the availability of land and the national grant funding allocation to the City. Based on the recent national priorities, a directive was communicated to all provinces and municipalities in September 2020 to substantially scale down on the delivery of top structures within the BNG programme. This suggests that, over time, the HSDG funding to provinces and municipalities will significantly be reduced to give effect to the latter policy shift. For this reason, the proposed top-structure targets within the BNG programme over the next five years will remain relatively constant, while the serviced-site delivery will significantly increase as illustrated in the table below. Although the future BNG projects will mostly deliver serviced sites rather than top structures, the principles as set out in the City's Housing Allocation Policy will still apply, which takes into account an applicant's registration date on the City's Housing Needs Register. The reality is therefore that most persons who came forward to register their housing need on the City's Housing Needs Register will most likely not benefit from a BNG top structure, but rather receive a serviced site or other housing interventions.

The short-term focus will therefore be on addressing settlement inefficiencies by developing sustainable, integrated human settlements that contribute to a more compact settlement form, and spatial transformation of the city. A greater focus will therefore be placed on the development of infill housing projects, thus targeting unutilised parcels of land, consolidating multiple sites, and underutilised Greenfields sites. Where possible, the City will utilise the Enhanced People's Housing Process (EPHP) to further the development of infill sites.

The planned BNG housing projects for the period 2022/23 – 2026/27 are listed in the project schedules below. Some of the projects are already under construction (project on site) while the rest of the short-term projects are either in the tender or planning process. The anticipated delivery of BNG housing opportunities per financial year over the period 2022/23 – 2026/27 is illustrated in the table below.

Table 21: Envisaged BNG housing opportunities for the short term

| | Target | | Anticipated Delivery | | | | | | | |
| | 22/23 | | 23/24 | | 24/25 | | 25/26 | | 26/27 | |
	Sites	Top Structures	Sites	Top Structures	Sites	Top Structures	Sites	Top Structures	Sites	Top Structures
Total Anticipated Delivery	2 890	1 803	1 729	1 796	6 203	1 860	9 213	6 098	9 115	9 718

Table 22: BNG housing opportunities in planning stage to be created in the short term

No.	Projects in Planning Stage	Potential Units	Area	Sub-Council	Ward
1	Athlone Infill	304	Athlone	11, 14	47, 44 & 49
2	Belhar Vacant School Sites & surrounding properties	1 300	Belhar	5	12
3	Blueberry Hill	3 789	Blue Downs	21	17
4	Farm 920 plus Bloubos Road	539	Sir Lowry's Pass	8	84
5	Greenville UISP (Phase 2.2)	966	Fisantekraal	7	105
6	Hanover Park	782	Hanover Park	11	47
7	Kensington	135	Kensington	15	56
8	Masiphumelele Phase 4 Stage	640	Kommetjie / Noordhoek	19	69
9	New Crossroads	126	Gugulethu	13	38
10	Nooiensfontein	2 569	Blue Downs	21	19, 108
11	Ocean View Infill	397	Ocean View	19	61
12	Pelican Park Phase 2	1 900	Pelican Park	18	67
13	Retreat (Crest Way)	453	Retreat	18	110
14	Strandfontein	750	Strandfontein	17	43
15	Vlakteplaas	4 300	Strand	8	100
16	Vrygrond	665	Muizenberg	19	45

Table 23: BNG housing opportunities in construction tender stage to be created in the short term

No.	Construction Tenders	Potential Units	Area	Sub-Council	Ward
1	Aloe Ridge (northern site)	720	Blue Downs	21	108
2	Aloe Ridge (southern site)	638	Blue Downs	21	108
4	Atlantis Kanonkop (Ext.12) Phase 2	2 502	Atlantis	1	32
5	Beacon Valley (Erven 44229, 45867, 35990)	979	Mitchell's Plain	12	76, 116
6	Beacon Valley (Erven 42911 and 42912)	831	Mitchell's Plain	12	76, 116
7	Bonteheuwel Infill	361	Bonteheuwel	15	50
8	Delft Symphony Way Corridor (ACSA) (Site B)	1 675	Delft	5	12, ,22, 24
9	Delft The Hague Phase 1	216	Delft	5	13
10	Elsiesriver Infill	724	Elsiesriver	4	25,26 & 42
11	Highlands Drive Infill	542	Mitchell's Plain	12, 17	75, 76
12	Maroela (South)	395	Kraaifontein	2	101
13	Mahama Infill	261	Khayelitsha	10	95, 96, 97, 98, 99
14	Rusthof Infill Project	384	Strand	8	85, 100

Table 24: BNG Housing opportunities currently under construction

No.	Under Construction	Units	Area	Sub-Council	Ward
1	Belhar Pentech	106	Belhar	5	12
2	Delft Symphony Way Corridor (ACSA) (Site A)	1 586	Delft	5	13
3	Dido Valley	600	Simon's Town	19	61
4	Edward Avenue	126	Grassy Park	18	66
5	Greenviile Phase 4	1 050	Fisantekraal	7	105
6	Gugulethu Infill - Erf 8448	571	Gugulethu	13	39
7	Gugulethu Infill - Mau Mau (erf 2849)	434	Nyanga	13	37
8	Harare Infill : Phase 2 (Martin & East)	483	Khayelitsha	10	98
9	Harare Infill : Phase 1 (Nokhanya)	417	Khayelitsha	10	94
10	Macassar	2 469	Macassar	21	109
11	Manenberg	587	Manenberg	14	30, 46
12	Pooke se Bos	135	Gatesville	14	46
13	Sir Lowry's Pass Village	307	Sir Lowry's Pass	8	84
14	Sheffield Road (City & Province)	384	Philippi	12	35
15	Valhalla Park	781	Valhalla Park	15	31

The map below illustrates the various BNG housing projects currently under way in the planning stage and to be developed over the short term. Housing projects on average take between three to five years to move from 'In Planning' to 'Under Construction' stage due to the various regulatory requirements associated with construction and development.

Map 12: Spatial location of BNG housing opportunities to be created in the short term
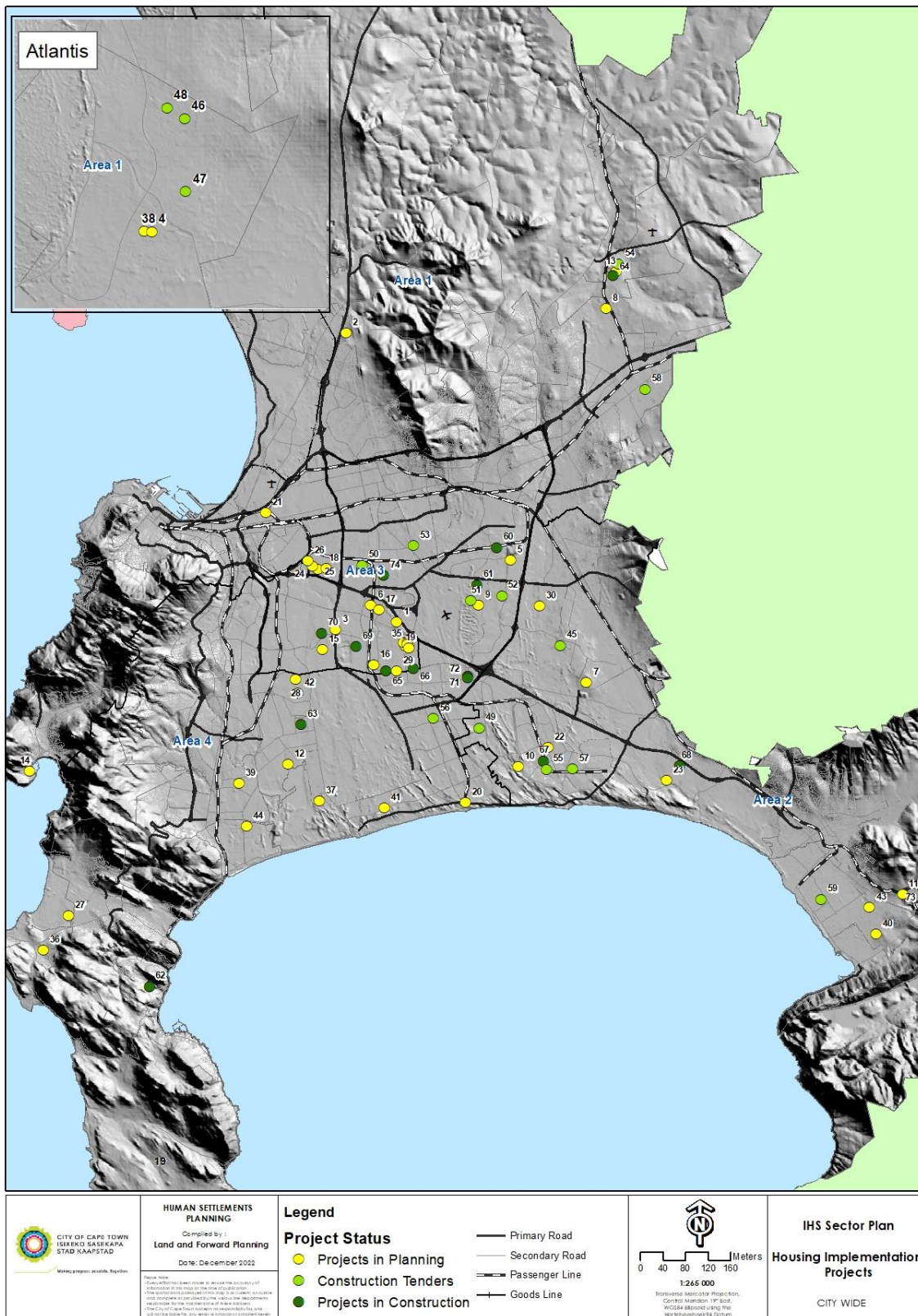
4.1.3.2 People's Housing Process

The People's Housing Process (PHP) is another common national housing programme that is implemented in the City. In the past, the PHP programme required greater involvement of the beneficiaries and, through the establishment of a support organisation, they submitted the business plans for the project and made recommendations in terms of the contractor who would build on behalf of the community. The PHP programme has gone through various minor changes, the most recent being the introduction of the Enhanced People's Housing Process (EPHP), which calls for the establishment of accredited community resource organisations (CROs) within each province who will assist beneficiary communities in the development of their housing opportunities. Due to this requirement, the EPHP has not been fully implemented nationally as the process of accreditation of CROs has not been adequately put in place by National Government.

In addition, the EPHP policy states that a municipality may act as a CRO and register as such with its provincial Human Settlements Department. An EPHP project is considered only if all qualifying beneficiaries are the owners or are in process to become owners of fully serviced sites. Once serviced sites are completed and allocated to beneficiaries, community leaders and beneficiaries will be given a choice between contractor build and EPHP. They will choose between these two options as a means to build their own houses. Once the housing information process is done, beneficiaries who opted for an EPHP programme will be assisted accordingly. The City of Cape Town as CRO will coordinate all due processes and liaise with all relevant stakeholders to assist the community in initiating an EPHP project.

In order to implement the latter in the short term, the Housing Development Department will put a tender in place for the appointment of a panel of contractors with EPHP experience that the beneficiary community can choose from. Once the community has made their recommendation, the City will enter into a direct contractual agreement with the contractor and monitor and evaluate their performance on behalf of the beneficiary community. It is envisaged that the final contract agreement between the City of Cape Town and contractors is to be signed by June 2023. Part of a CRO's responsibility is to capacitate the beneficiary community and to facilitate community participation within the EPHP project. While the directorate gears itself to become a registered CRO, the following approved EPHP projects are scheduled to deliver 335 housing opportunities in the 2022/23 financial year.

Table 25: EPHP project list for the short term

No	Project Name	Project Location	Estimated units to be delivered 2022/23
1	Dido Valley	Simons Town	150
2	Ithubalethu	Phillipi	15
3	Manenberg	Manenberg	85
4	Isiqalo	Isiqalo	17
5	Cingicebo	Cingicebo	16
6	Mzomhle	Khayelitsha	9
7	Senzeni	Khayelitsha	20
8	Ilita Labantu	Labantu	10
9	Vukuzenzele	Khayelitsha	13
TOTAL			**335**

4.1.3.3 Social housing

The increasing housing challenges of a rapidly growing city such as Cape Town cannot be met by an administration that operates in isolation. The City recognises the importance of close collaboration and partnerships with various stakeholders, such as SHIs, other development agencies, the WCG Department of Human Settlements and Social Housing Regulatory Authority (SHRA). Therefore, the City does not only play the role of developer, but also as enabler or facilitator of housing development, as is the case with the provision of social housing.

Social housing is the term used to define subsidised rental housing in South Africa. In terms of the Social Housing Act, Act 16 of 2008, independent SHIs receive grant and subsidy funding to build and manage affordable rental housing for a targeted income group earning between R1 850 and R22 000 per month as from 1 April 2022. Through a partnership agreement with selected SHIs, the City provides them with support and assistance – specifically with regard to access to institutional housing subsidies and suitable land – to facilitate specific social housing developments.

As highlighted in the contextual analysis, Cape Town's property market context and household income trends mean that well-located, affordable rental housing is critically important. Affordable rental housing ensures that multiple households will benefit from one development over the long run, while ensuring affordability over time to low- and lower-middle income households. Social housing is also strategically important for the City, as it is the only government-subsidised housing programme that enables high-density affordable housing. Strategically utilising this programme would also allow the City to further enable urban regeneration, and spatial and transit-oriented development aims. Considering the high land costs in the City of Cape Town, being able to maximise units from a well-located parcel of land is very important. SHIs are also specialists in managing affordable rental housing and as with ODAs, are regulated by the SHRA, which means that the City does not bear any management or regulatory burden. Social housing is therefore a critically important programme for the City, and will be one of the main focus areas going forward.

While the capital subsidy that SHIs are able to access is distributed by the SHRA, the City of Cape Town assists the financial viability of social housing in the following ways:
- Discounted land costs: The City is able to dispose of its land and buildings to SHIs at discounted rates when pure social housing is being developed in line with the Municipal Asset Transfer Regulations (MATRs). Discounted land prices in the context of the City's expensive land prices is a significant enabler of affordable housing.
- Project packaging: The City's Social Housing unit assists SHIs through facilitating the land use application process, and other associated administrative processes.

There are certain constraints when it comes to enabling social housing. Firstly, the social housing funding model makes it challenging to go beyond a four-storey walkup, as including a lift increases both the capital and operational costs beyond the subsidy and operational cost recovery. However, maximising density on well-located land is a key City spatial goal – particularly in areas of the City where higher densities are appropriate. Cross-subsidising the SHI funding with mixed-income (elements of market housing) and mixed-use (other uses, such as retail or commercial) could assist in meeting the density goals. In the long term, if government grants

decrease, the operational sustainability of social housing will depend on mixed-income and mixed-use developments – it is therefore necessary to obtain clarity from National Government (both Human Settlements and National Treasury) on how to facilitate this.

SHIs are either fully accredited or partially accredited, with the SHRA being responsible for capacity building of SHIs. The City relies on fully accredited SHIs to develop social housing in the City, and there can be challenges with having enough capacity in the sector to develop social housing. For-profit private companies are able to deliver social housing. While they do not have to be accredited as an SHI, they have to submit projects for accreditation to SHRA. This decision by SHRA allows for increased capacity in the social housing sector.

To date, seven social housing projects were completed within the City, which yielded a total of 3 098 social housing opportunities and 253 GAP rental opportunities across the City, as illustrated in Table 26 below. As per national regulations, social housing projects must be developed within classified restructuring zones, which suggests that these developments are in relatively close proximity to public transport, and social and economic amenities.

Table 26: Social housing projects completed

PROJECT NAME	PROJECT LOCATION	ACTUAL YIELD
Military Road	Steenberg	700
Drommedaris	Brooklyn (Milnerton)	219
Vryburger Avenue	Bothasig	120
Erf 4323 Scottsdene	Scottsdene (Kraaifontein)	500
Belhar Social Housing	Belhar (opposite UWC)	629
Bothasig Gardens Phase 2	Bothasig	314
Glenhaven Social Housing	Glenhaven	512
Regent Villas	Mitchells Plain	104

Table 27 below illustrates the social housing projects across the City that are currently under construction. These projects will yield 1 500 affordable rental housing units and 250 FLISP units.

Table 27: Social housing projects under construction

PROJECT NAME	PROJECT LOCATION	PLANNED UNITS
Regent Villas Ext 2	Mitchells Plain	60
Conradie Park	Pinelands	1 236 units including 250 FLISP
Erf 23889 Maitland	Maitland	204

Table 28: Social housing opportunities to be created in the short term (2021-2025)

PROJECT	LOCATION	PROJECTED YIELD
Pine Road	Woodstock	243 units
Dillon Lane	Woodstock	160 units
Salt River Market	Salt River	700 units
Pickwick	Salt River	1 800 units
St James	Salt River	34 units
Creche site/ Earl Street	Woodstock	200 units
New Market Street	Cape Town	365 units
'Fruit and Veg'	Inner City	126 units
Sub-precinct 1	Parow	350 units
Sub-precinct 2	Parow	700 units
Enslin Road	Ottery	280 units
TOTAL		4 958 units

The map below depicts the social housing projects that are in the planning phase across the City for the short term. As illustrated on the map, the social housing projects are located within the urban inner core, in line with the City's MSDF spatial development principles.

Map 13: Spatial location of social housing opportunities to be created in the short term across the City
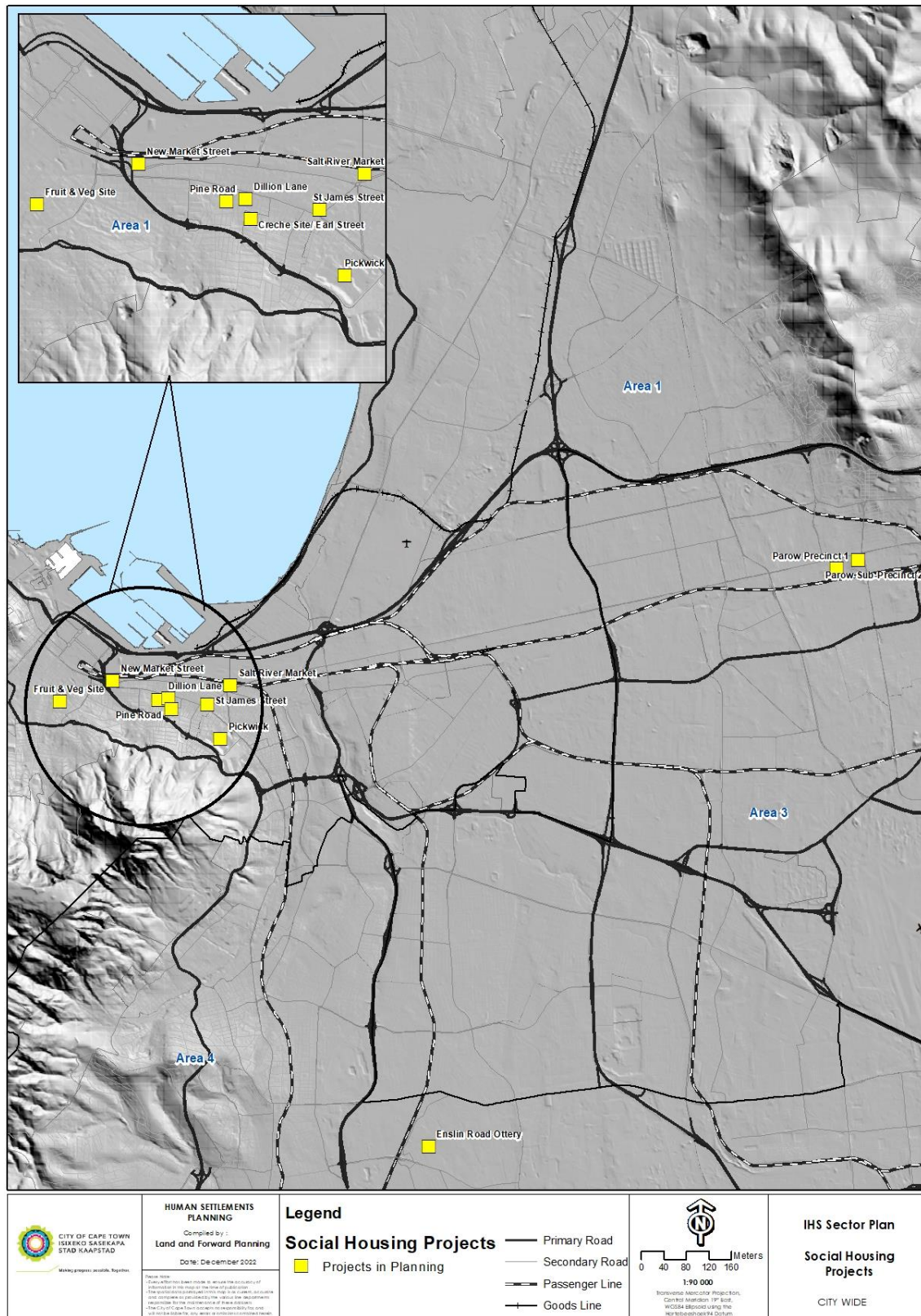
The City commissioned a study to identify key incentives, efficiencies and policy changes needed to encourage the development of 'affordable' rental. The study also informed the likely impact of such instruments in achieving its social and urban development objectives. The study found that the development costs of formal rental accommodation in the areas of the TOD corridors are higher than the national norm and it is not possible to achieve a substantial supply of formal medium- to higher-density affordable rentals for households in income bands R1 850 to R22 000 (as from 1 April 2022) without a package of incentives that involves a strategic Government intervention in the market. Further, with the use of efficiencies and facilitating projects, it is possible to help reduce risk that could further incentivise development of such stock.

The Social Housing Programme will also benefit from the Mayoral Land Release Programme, where City land and buildings will be disposed to the private sector at discounted rates – including SHIs and other development agencies – for the development of affordable housing. A Social Housing Policy is also under development, which aims to unlock City incentives for social housing, thereby making implementation more sustainable and economically viable. The above interventions signal the City's commitment to social housing as a critically strategic programme to address affordable housing in the City.

4.1.3.4 GAP housing

GAP housing refers to housing products targeting households that earn too much for a fully subsidised house (R3 500 per month), but too little to purchase a house on the open market.

Most of the GAP housing opportunities developed within the City are incorporated within a bigger Greenfields housing project developed in terms of the IRDP alongside BNG housing opportunities. Currently, it is difficult to explicitly reflect the number of potential GAP houses to be developed over the short term as this will predominantly be determined by the respective communities' housing needs within the particular area. The project list below illustrates the GAP housing projects currently approved for the short term within the various development stages. The Atlantis Protea Park; Atlantis Robin Vale; Atlantis Beacon Hill and Bardale Phase 4C (Fairdale) will all be exclusive GAP housing projects, while the rest of the projects listed below will be a combination of GAP and BNG housing opportunities.

Table 29: GAP housing project for the period 2023/24 – 2026/27

Project Name	GAP sites	BNG Sites	Site Yield	Stage
Atlantis Protea Park (Protea)	605	0	605	Planning
Atlantis GAP Sites Robin Vale and Beacon Hill	491	0	491	Tender for construction
Bardale Phase 4C (Fairdale)	219	0	219	Under construction
Blueberry Hill	728	3 061	3 789	Planning
Pelican Park Phase 2	380	1 520	1 900	Planning
Maroela (South)	175	395	570	Tender for construction
Vlakteplaas	1 600	2 692	4 292	Planning
Hangberg Phase 2	70	120	190	Planning
TOTAL	**4 268**	**7 788**	**12 056**	

The FLISP is one mechanism to assist households in purchasing a GAP housing product that typically varies between R300 000 – R900 000[14]. The FLISP subsidy provides first-time homeowners earning between R3 501 – R22 000 per month with a substantial housing subsidy on a sliding scale, which can be used as a down payment on their mortgage or outstanding balance of the property. FLISP can also be used by households to purchase property developed by the private sector or an existing house or serviced plot available on the market.

Despite its good intentions, nationally the FLISP programme did not yield the envisaged results, primarily due to a lack of bank-qualifying applicants coupled with available affordable housing stock in the market. In response to this, the National Minister of Human Settlements in early 2022 announced an amendment to the FLISP programme, which will now allow FLISP applicants to utilise other non-mortgage financial sources to purchase a home. As a result of the revised model, aspirant homeowners with an income of R3 501 – R22 000 per month will now be able to access FLISP through:
• the beneficiary's pension or provident fund loan;
• a cooperative or community-based savings scheme, i.e. stokvel;
• the Government Employees Housing Scheme;
• any other employer-assisted housing scheme;
• an unsecured loan; and
• an instalment sale agreement or rent-to-own agreement.

The National Department of Human Settlements is in the process of developing guidelines to assist provinces and municipalities in the implementation of the revised FLISP policy. The Western Cape Department of Human Settlements will continue to play a key role in supporting the FLISP application process and the City will endeavor to enhance its communication on the revised FLISP policy to the broader public.

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[14] Centre for Affordable Housing Finance Africa

4.1.3.5 Private sector involvement in affordable housing provision

The private sector can play a critical role in the provision of affordable housing, and in the development of efficient, more compact cities. Considering the reality that demand will increasingly outweigh supply of housing, combined with the pressure that human settlement grant funding is under, it is critical that the City begins considering innovative approaches to incentivise or collaborate with the private sector to enable affordable housing.

This new approach towards partnering with the private sector is also echoed in the Mayoral Land Release Programme, which aims to dispose City land and buildings to the private sector for the development of affordable housing, as well as by unlocking enabling City mechanisms to support this programme.

The HSS also recognises the important role that the private sector plays in providing housing, and outlines interventions across the informal and formal market. Within the Human Settlements Directorate, the following initiatives will assist in leveraging the role of the private sector to contribute towards affordable housing.

- **Inclusionary Housing Policy development**

The City is developing an Inclusionary Housing Policy, which will aim to incentivise the development of affordable housing by the private sector. This policy will have a strong spatial transformation element – looking at the creation of well-located units, thereby providing households access to areas of the City close to employment and other opportunities. This policy is also strongly aligned with the spatial vision of the City.

The work to inform this policy will also provide the City with market insights around project feasibilities and incentives that can strengthen the City's understanding of the functioning of residential property markets, and lead to better targeted interventions.

- **Piloting of mixed-market models**

Mixed-market models refer to affordable housing developments that are cross-subsidised by market rate units (mixed incomes) and/or other uses (e.g. retail or commercial). These models can include government-subsidised housing programmes, or consider various incentives (including state-owned land) to leverage affordable housing.

The City will pilot mixed-market affordable housing models as part of the Mayoral Priority Programme for land release for affordable housing. Historically, mixed-market models have tended to be mega projects or large Greenfields developments. However, the City needs to consider urban infill and well-located pieces of land in order to test these models. There is significant potential in the private sector collaborating with SHIs to give effect to this model.

- **Small-scale rental units and micro developers**

A new generation of property entrepreneurs is emerging, particularly in Cape Town's townships. They have seen a gap in the property market for low-cost rental accommodation, and have seized the opportunity by building solid brick-and-mortar developments offering affordable micro units. These developments can include up to 10 units, are often double-storey, and vary in size from about 10 m² to about 40 m² and rentals range between R1 500 and R3 000 per month. Small-scale rental units are also being created, with some previous BNG beneficiaries leveraging their state-subsidised house to add on additional units, thus creating a rental income stream for themselves, as well as additional affordable rental units.

The HSS suggests that the City, via its role as a regulator and facilitator of urban development, should create mechanisms to support this emerging industry as they contribute to the creation of affordable housing. Furthermore, the City acknowledges that small-scale rental units developed by private homeowners can play a major transformation role from a social, economic and built environment perspective, if it is rolled out in a responsible manner. For this reason the City has embarked upon a programme to provide greater support to private property owners and micro developers who develop these units by perusing regulatory reform (amendments to by-law) to enable affordable rental units within established residential areas.

This initiative is in line with the Mayoral Programme on Land Release.

4.1.4   *Public housing*

The City plays a key role in providing affordable rental housing within the metro and owns approximately 58 060 rental units within its Public Housing Portfolio. The Human Settlements Directorate via its Public Housing Department is responsible to manage the Public Rental Housing Portfolio of the City of Cape Town, which includes the allocation of public rental units to qualifying applicants, management of lease contracts and maintenance of the said public rental housing.

The Public Rental Housing Portfolio is divided into saleable and non-saleable rental units and is targeted at households who earn a monthly joint income of R15 000 and below[15]. The units deemed as non-saleable rental units are typically multi-storey flats as illustrated in Table 30 and includes 18 243 hostel beds and 11 pensioners' complexes within the overall non-saleable portfolio. Saleable rental housing units are primarily City-owned properties developed pre-1994, which can be subdivided and transferred to qualifying tenants in terms of the Extended Discount Benefit Scheme[16]. In order for the subdivision to take place, properties must be on an individual plot and have one-on-one municipal service connections. The table below provides an overview of the Public Housing Portfolio.

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[15] As from 31 March 2022, in line with the Council-approved Allocation Policy: Housing Opportunities
[16] National housing programme within the National Housing Code 2009.

Table 30: Public housing categories

Income band (monthly household income)	Housing Programme	Description of rental housing opportunity	Tenure	Number of units
R0 – R15 000 (as from 31 March 2022)	Public housing implemented in terms of the national housing programme: CRU	Existing or newly built City-owned rental housing properties, which include the following: Multi-storey units (flats) Row houses Cottages Duplexes Hostels Pensioners' cottages	Non-saleable rental	50 439
		Primarily existing pre-1994, City-owned rental housing properties, which can be subdivided and transferred to qualifying tenants. The tenant has the option of purchasing the rental property with own funding or applying for the EEDBS subsidy.	Saleable rental	7 621

Map 14: Location of City rental stock flats
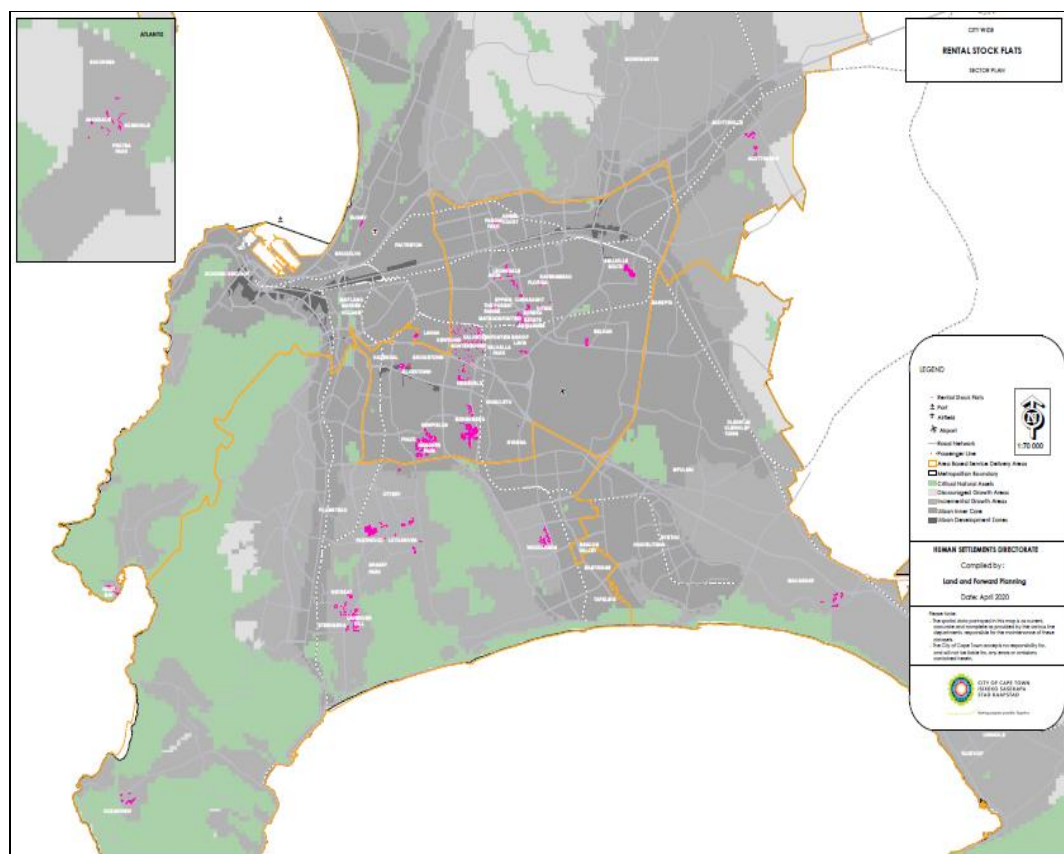
Map 15: Location of City rental stock houses
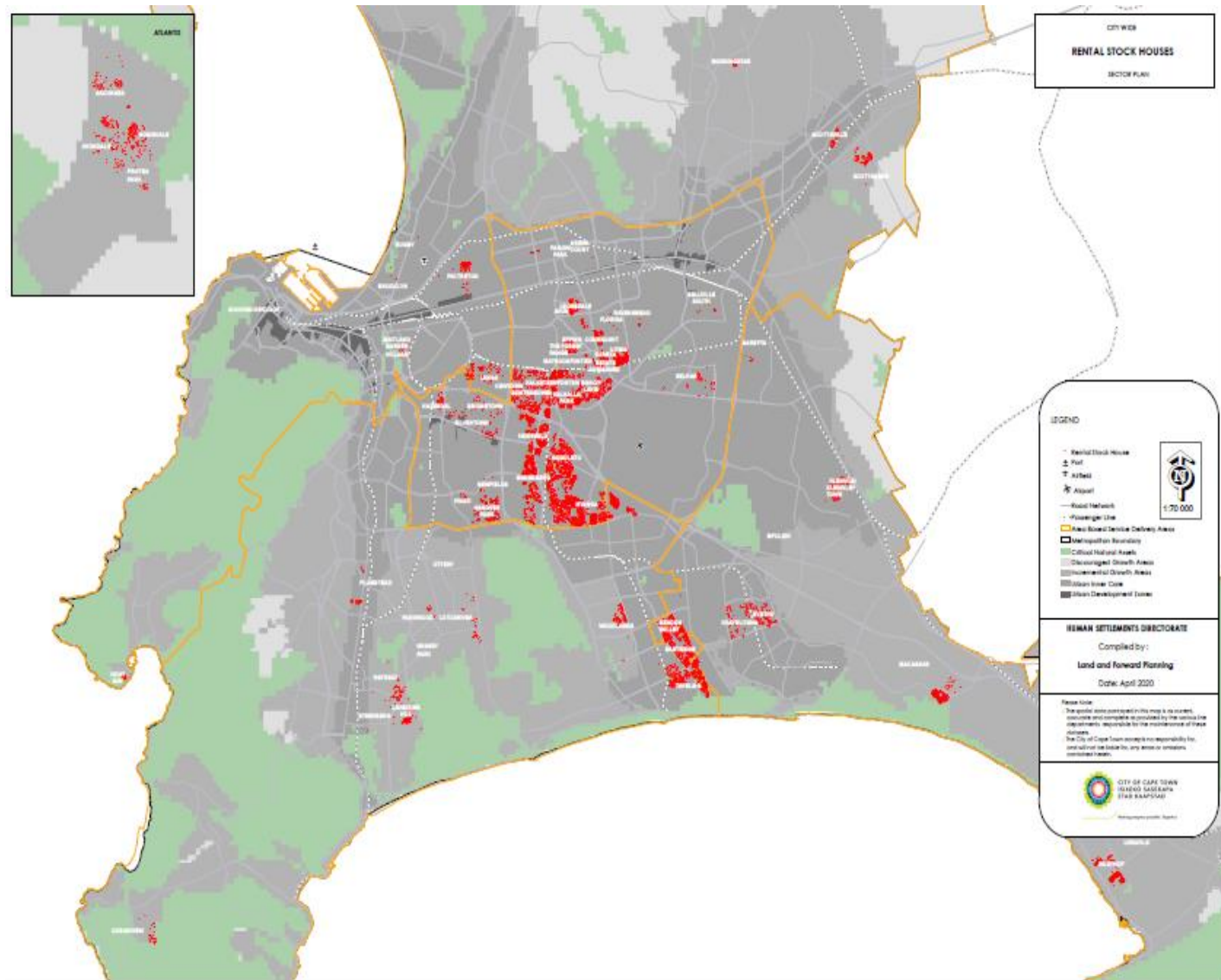
Image 5: Newly built, non-saleable public rental housing: The Sea Views CRU development in Hangberg consists of 71 rental units

4.1.4.1. Public housing: Tenancy management and customer service challenges

The City's public rental housing is developed in terms of the national housing programme, CRU, which provides for capital grant funding for the construction of new rental units. Once construction is completed, these rental units form part of the City's Public Rental Housing Portfolio and the City becomes the landlord responsible for the management and maintenance of these units. The CRU programme does not make provision for the operational subsidy and therefore operational expenses must be recovered by means of cost-recovery rentals.

As a landlord of approximately 58 060 rental units, the City is faced with various challenges specific to this role, which includes:

- human resource capacity constraints;
- poor revenue collection resulting in insufficient budget to carry out required repairs and maintenance;
- unlawful occupation of rental units;
- subletting by tenants, often accompanied by exorbitant rentals;
- overcrowding and increase in backyard structures;
- a significant increase in backyard structures, the occupants of which require essential basic municipal services;
- unacceptably high levels of payment default by tenants of City-owned properties; and
- high levels of antisocial behaviour, gangsterism and abuse of facilities.

In addition to the core functions as listed above, the Public Housing Department is currently also responsible for executing functions that are outside its core mandate, which relates to the cash-receiving function (in the form of rental instalment payments), the management and maintenance of pensioners' cottages, early childhood development (ECD) centres and other non-residential properties. These functions were primarily inherited from historic administrative/organisational structures and divert much-needed human and financial resources from their core functions.

4.1.4.2 Public housing maintenance challenges

The Public Housing Department provides services to families and individuals residing in public housing rental units through 38 decentralised housing estate offices and nine maintenance depots. Table 31 below gives an indication of the saleable and non-saleable units (including hostel beds) located per City service area and the number of depots and skilled staff servicing these areas in terms of day-to-day maintenance needs. As illustrated below, it is evident that the number of skilled staff to render day-to-day maintenance is not commensurate with the number of rental units to be serviced per region. The northern region has 13 219 rental units with one depot and 16 skilled staff; the eastern region has 15 247 rental units with two depots and seven skilled staff; the central region has 22 173 rental units with five depots and 47 skilled staff, and the southern region has 7 421 rental units with three depots and 14 skilled staff.

Table 31: Number of rental stock and maintenance depots per service area

Service area	Non-saleable rental stock	Hostel beds	Saleable	Total rental units per service area	Depot	No. of staff constr.	No. of staff eng.
Area 1: North	6 266	6 523	430	**13 219**	Ndabeni	12	4
Area 2: East	3 937	9 028	2 282	**15 247**	Nyanga and Macassar	7	0
Area 3: Central	15 716	2 692	3 765	**22 173**	Heideveld	4	0
					Athlone	3	0
					Hanover Park	3	0
					Elsies River	7	24
					Bishops Lavis	6	0
Area 4: South	6 277	0	1 144	**7 421**	Retreat	3	0
					Grassy Park	5	1
					Mitchells Plain	5	0
Total per rental type	**32 196**	**18 243**	**7 621**	**58 060**			

The City undertakes routine repair and maintenance of rental units, primarily in response to requests from tenants via the C3 notification system and as part of insurance repair on damaged rental properties caused by fire damage. Maintenance of the City's ageing rental stock remains a challenge due to budget and human resource constraints. One such example is the shortage of current fleet for repairs and maintenance, as shown in Table 32 below. As an initial response to this challenge, the directorate developed a CRU maintenance guideline, setting out a uniform approach to the prioritisation of operational maintenance, i.e. prioritising health and safety repairs.

Table 32: Public housing fleet capacity

	Total Number of Vehicles	Vehicles out of commission	Available Vehicles
Upgrades & Maintenance	125	**20**	105
Tenancy Management	35	**8**	27

4.1.4.3 Public housing maintenance and management turnaround strategy

In response to the challenges and operational limitations within City-owned rental housing as identified in the sections above, the Public Housing Department has initiated various interventions including:

Indigent relief

As an effective way of helping the City deliver on its commitment to address poverty levels in Cape Town, all tenants of City public housing who have a combined monthly household income of R4 500 or less may qualify for an indigent grant. Relief and assistance are provided through a reduction of rental instalments and a possible write-off of arrears as illustrated in the table below. This respite is given for a period of 12 months and must be reviewed annually. Many tenants apply for this indigent grant, which places additional strain on the City's operational budget.

Table 33: Indigent grant calculation

INCOME	PERCENTAGE OF INCOME PAYABLE	MINIMUM ARRANGEMENT AMOUNT
R0 to R2 000	5 % with a minimum rental of R10	R15
R2 001 to R3 500	8%	R25
R3 501 to R4 500	10%	R40
For the purpose of income the cents value is disregarded except that the maximum income permissible is capped at R4 500.00.		

My Estate mobile office
The Public Housing Department has launched its My Estate mobile office, which visits different suburbs of Cape Town on a daily basis. The services offered include assistance with general tenancy enquiries, applications for indigent relief, and logging of C3 notifications for maintenance work. This is part of the department's attempt to bring tenancy management and maintenance services closer to its tenants. Currently, there is only one vehicle in operation and the intent is to extend the mobile operation over the next five years.

Turnaround strategy
In addition to the current initiatives, the Public Housing Department will embark on a turnaround strategy aimed at creating sustainable prosperity for the Public Housing Portfolio over the short/medium and long term. This Public Housing Maintenance and Management Turnaround Strategy will include the following initiatives:

a) Conducting socio surveys

Socio surveys will be conducted at all public housing estates. This is a priority in respect of understanding how many tenants and dependants reside in our public rental housing units and what their current socio-economic profile is. In addition, by conducting this survey the City will also be able to ascertain how many occupants are not legal tenants of the City. This will be an ongoing priority. In instances where it is found that the tenant is deceased and family members are left behind in the rental dwelling, further investigations will be conducted to determine whether the family members are eligible for a transfer of that tenancy. This process will create a continued housing opportunity for the family of the deceased tenant, thus mitigating against displacement of that family.

b) Regionalisation of offices

The intention is to decentralise public housing personnel and offices. This will enhance accessibility and bring our services close to our communities and the public that we serve. We therefore intend to regionalise our offices in line with the current established regions. It is proposed that where possible, all coordinators be centralised or accommodated in one particular office site for better, safe, effective and coordinated management, yet still be responsible to service and manage respective regions. A feasibility study is currently under way to test the viability of this model.

c) Sales campaign – No-Cost Transfer Programme

As stated in the City's HSS, it is the City's strategic intent to expedite the transfer of ownership of the City-owned rental properties that are deemed saleable and delayed transfer properties[17], thereby promoting empowerment for eligible tenants. These transfers are effected via the national housing programme called the Enhanced Extended Discount Benefit Scheme (EEDBS). In addition, this initiative has the following intentions:

- To promote homeownership and create an asset for eligible tenants
- To capacitate beneficiaries to become responsible and proud homeowners

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[17] Delayed transfer properties refer to National- and Council-funded houses that were sold to purchasers on a loan basis pre-1994.

The latter initiative is not without its challenges. In order to take transfer of these properties, existing National and/or Council policy provisions require beneficiaries of the housing categories mentioned above to make payment in respect of the purchase price of the property or balance thereof, loan, rental and service arrears, and the purchasers are liable for the payment of insurance costs if pronounced in terms of the Deed of Sale. As a result, many tenants are reluctant to accept transfer of ownership – ranging from being unable to afford the transfer costs, concerns over the current condition of the rental units, to a lack of enthusiasm of becoming a homeowner.

The City has therefore acknowledged the barriers to transfer and is committed to establish a plan of action within the short term to incentivise tenants to accept transfer of the saleable rental units by addressing internal challenges related to this initiative. To initiate this process, the City obtained a legal opinion to seek clarity on whether the current legislative and policy environment allows the City to sell the properties in question at no cost to a qualifying tenant therefore deviating from the provision of the EEDBS. The legal opinion obtained confirms that the City may sell its public housing units to beneficiaries at no cost, but subject to approval by the Western Cape Provincial Minister for Human Settlements and/or the National Minister of Human Settlements to deviate from the EEDBS provision. In addition to the purchase price of the property, the overall settlement costs also include insurance costs and any municipal service arrears, which makes the properties unaffordable to most prospective beneficiaries.

On 27 October 2022, Council approved the No-Cost Transfer Programme that relates to the properties to be sold via the EEDBS. As part of the newly approved programme, the City will:
- approach the provincial and national authorities to deviate from the national housing code provision forcing beneficiaries to settle outstanding debts on a property before ownership can be transferred;
- fund the payment of transfer fees on behalf of beneficiaries, and fix these fees at R2 500 regardless of the property value;
- write-off rental and municipal services arrears on rental units where these are in excess of the relevant national housing subsidy; and
- fund payment of insurance in respect of saleable CRUs from the date of sale until registration is passed to the beneficiaries (i.e. registered). The aforementioned is not applicable to delayed transfer properties (deeds of sale pronounces on the payment of insurance).

Consideration has been given to transfer ownership to non-saleable, multi-storey rental units to qualifying tenants currently occupying the units. However, as noble as this consideration might be, it is faced with various challenges that will require further investigation. These challenges include:

- registering and complying with sectional title requirements as outlined in the Sectional Titles Scheme Management Act;
- the inability to have or establish effective and efficient body corporates to run sectional title schemes; and
- the inability of prospective homeowners to afford levies associated with sectional title schemes.

d) Offloading of all non-core functions

Currently, the Public Housing Department is responsible for various functions that do not resonate with the mandate of public housing. This is mainly due to historical institutional complexities related to misalignment of functions during organisational restructuring or realignment over the years. A project is to be undertaken for the identification of non-core activities with the aim of offloading these activities to the relevant line departments. This will ensure that the Public Housing Department can direct all their resources to their core functions.

e) Asset Management Improvement Plan

An Asset Management Improvement Plan (AMIP) and Turnaround Plan have been developed to address the challenges and constraints associated with the asset lifecycle of public rental housing. The Turnaround Plan has been divided into various workstreams to be executed over a period of three financial years, which started in the 2020/21 financial year. An initiative stemming from this plan was the appointment of the National Housing Finance Corporate (NHFC) as an implementing agent to conduct maintenance and repairs on the public rental housing units across the City for the period 2020/21 – 2022/23. As part of their scope of work, the NHFC will develop CIDB grade 1-3 contractors through an enterprise development programme, provide business and technical support, conduct mid-term reviews to assess development, and provide training. The City has agreed to transfer project funds for each financial year in tranches to an NHFC-controlled project account through National Treasury authorisation, in line with the MFMA and the PFMA. The implementation of the abovementioned programme will cost the City more than R54 million per annum, with a total project cost of R169,5 million.

f) Management agent

Furthermore, the Public Housing Department is busy exploring the option of appointing a management agent(s) to manage a portion of its Public Housing Portfolio on the City's behalf. As part of this process, an operational feasibility study is being undertaken with the aim to maximise and balance outcomes through careful consideration of the available options. Certain options might be better suited to different aspects of the housing portfolio and will be compared to local and international best practice, taking Cape Town's context into account. These options will include:

Example Option 1: Fully Managed by PH	Example Option 2: Outsource Upgrades & Maintenance	Example Option 3: Hand over portfolio to external management agents	Example Option 4: Full Alienation of the portfolio to private entities

It is envisaged that the City will issue a request for proposals in this regard within the next five years.

g) Maintenance

In an attempt to respond to the maintenance and repairs backlog within rental housing, a corporate commitment has been made to provide funding on an incremental basis over the next three financial years to capacitate the depots with additional staff.

h) Safety and community inclusion

The safety and wellbeing of our tenants are important to the City. Finding suitable solutions for the array of social and economic challenges faced within the public housing estates is a complex task, but through partnerships with relevant line departments such as Safety and Security and Social Development, NGOs and CBOs and the tenants themselves, a workable solution is possible. The current initiatives the Public Housing Department in this regard include:

o creating a sense of shared ownership amongst tenants;
o purposeful and proactive stakeholder engagement and communication with tenants;
o understanding community and social structures and networks to be utilised in the new operations model and proactive consultation with communities about options and possible chosen operational models;
o onboarding and buy-in of various role-players to the process; and
o embedding asset-based community development (ABCD) principles that includes unlocking a sense of ownership amongst the community, which in turn protects the assets.

i) Staff housing

The Public Housing Department also manages City-owned rental accommodation deemed as staff housing. The following initiatives are planned for the short term in relation to the management of staff housing:

- Maintenance of the data of tenants residing in staff houses. As there is a high turnover of tenants residing in staff housing who terminate their services or change their conditions of employment with the City, ongoing monitoring is required.

   o A credible database comprising 246 properties with defined data fields has been developed and is currently maintained by the staff housing branch. This is an ongoing process and there are still actions to be completed by the line departments to conclude this process.

   o Supporting documents that serve as compliance evidence, as required by the systems and procedures for staff housing, have been uploaded to SharePoint.

- Develop a maintenance plan for staff housing properties that has not been formally transferred to a qualified tenant. For the remaining of staff housing, this branch is required to develop maintenance norms and standards.

   o The line departments are in the process of conducting property condition assessments that will inform the development of the staff housing maintenance plans.

- Incorporation of staff housing in the SAP system. At present, the data on staff housing are not centrally coordinated, which warrants coordination and monitoring.

   o The system went live technically on 2 June 2022 and information will be loaded onto the system once all the actions on data consolidation have been concluded. In the meantime, an asset register has been compiled and is currently controlled on a SharePoint site until the data consolidation is concluded and information can be loaded onto SAP.

- Investigate and develop a process of offloading houses accommodating staff. The working environment in many instances has changed, such as the inclusion of technology and alternative infrastructure at various sites especially where staff was residing and required to have them at work. For this reason the need for houses is no longer required for those staff members, hence the investigation of potential of offloading of those housing opportunities.
  - o 537 houses have been identified and taken off the operational list. The identification process on each asset has been concluded and categorised accordingly. The future of these assets is to be revised and determined for reallocation or repurposing as deemed necessary.

4.1.4.4 Hostel Redevelopment Programme

Hostels were initially built as temporary housing for male migrant workers. Over time, the families of these migrant workers moved in with them, which has led to underserviced environments characterised by overcrowding in and around the hostel buildings. The management and maintenance of the City's hostels remain a huge challenge. Overcrowding is one of the biggest challenges, as up to three or four families can often be found living in one room. Occupants have also spilled over into masses of informal shelters surrounding the original hostel buildings. The hostel structures were not designed to accommodate this number of people, resulting in services on these sites being either totally ineffective, or indeed in a state of total disrepair. The conditions in which people are living in the hostel precincts are entirely undesirable. Many of these hostels are dilapidated and call for total demolition and rebuilding.

The hostels concerned are situated in Nyanga, Langa and Gugulethu. From an institutional ownership perspective, they consist of and are classified as follows:

- City-owned
- Privately owned
- Privately built hostels on City-owned land – many of which have been effectively abandoned by the private companies

Map 16: Hostel areas within Cape Town
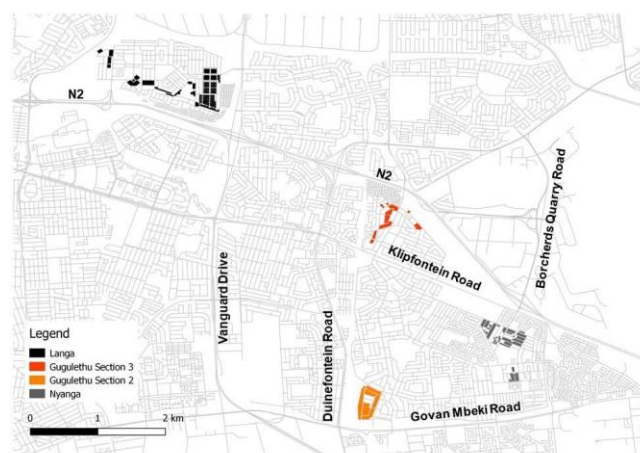
The City is implementing the hostel redevelopment programme, which aims to redevelop these hostels into CRUs, i.e. newly built, multi-storey public housing rental accommodation that range from studios to two-bedroom units. The existing hostel buildings are located within established urban areas where land availability is limited. This presents a significant challenge to site redevelopment because the current hostel dwellers need to be moved out of the existing hostels during redevelopment, accommodated elsewhere and then moved back to the newly refurbished or redeveloped rental units.

An additional complexity is the requirement to accommodate more people than the site was originally envisaged to house, and to relocate, rebuild or refurbish, and then reinstate. In addition, the overall housing requirements within the City are such that there is a constant challenge for any new development to be allocated not only to those that were originally accommodated on that site, but indeed to incorporate people from communities in the immediate vicinity as well.

The City developed a Hostel Redevelopment Programme to transform the existing hostels to rental units. To date, the City successfully concluded the Hostel Redevelopment Project in Langa named Hamilton Nake Square in 2016. This project is located on the corner of Bhunga Avenue and Ndabeni Street in Langa and was an old depot site that was owned by the CCT and as such was rezoned to meet the needs of the new CRU. Langa is in close proximity to the CDB, which is ideal for access to social and economic opportunities. The new rental units developed are all roughly 40 m^2 in size with two bedrooms, one bathroom and a lounge/kitchenette area. Two funding sources were used, namely HSDG and USDG, and the final cost of the project amounted to R180 000 000. This meant that the cost was roughly R390 000 per unit (between 2013-2016). The project was voted Best CRU project at the 2017 Western Cape Govan Mbeki Housing awards.

Image 6: Hostel Redevelopment Projects – Hamilton Nake Square in Langa

Two additional Hostel Transformation projects were planned for the short term, but due to national policy and grant funding changes, the Human Settlements Development Grant may not be utilised as capital funding for the construction of community residential units unless the state can demonstrate a sustainable operational and management model. For this reason it is unlikely that the required funding will be accessed through the WCG Department of Human Settlements in the short term, as sustainable solutions must still be investigated and approval thereof be granted. These planned projects have therefore been halted until the latter challenge can be addressed and therefore is it difficult to determine the exact project start date.

In addition to the two planned Hostel Transformation projects, the City has further considered a hostel transformation pipeline for the remaining four areas (Langa, Nyanga, Gugulethu Section 2 and Gugulethu Section 3). However, due to the funding challenges stated above, it is unclear when these projects will be implemented.

4.1.5 Informal settlements

Informal settlements may be defined as either:

- areas where a group of housing units have been constructed on land to which the occupants have no legal claim or that they occupy unlawfully, or
- unplanned settlements and areas where housing is not compliant with current planning and building regulations (i.e. unauthorised housing).

These settlements vary significantly in size and topographical condition and are located on privately owned or state-owned property. Generally, informal settlements develop into a haphazard arrangement of dwellings and informal structures of varying construction types and materials – some less sound than others and in many instances they are developed on land that is not suitable for development or on privately owned land, which prohibits the City from providing services and formal housing.

In summary, the City acknowledges that there is no **"one size fits all"** approach to informal settlement upgrading insofar as each settlement is unique in terms of its local conditions and related community issues.

It is further acknowledged that the current model of formal housing delivery is unable, as a single delivery mechanism, to meet the housing backlog, new growth and may also perpetuate current spatial challenges. Thus, the in-situ upgrade of informal settlements is an important part of addressing these challenges.

The management and upgrading of informal settlements are an ever-evolving programme and require constant monitoring and updating. The City distinguishes between two types of settlements, i.e. administratively recognised informal settlements and unrecognised informal settlements.

Table 34: Types of informal settlements

TYPE	DESCRIPTION
Informal settlement	This is an unplanned area of informality where unauthorised housing structures that do not comply with any existing planning and building regulations are erected. However, the City has engaged with respective community leadership, undertaking various assessments with respect to the ability to deliver services, and (in some instances) has provided the settlement with basic services or initiated a process of informal settlement upgrading.
Newly formed settlements (to be classified)	Any informal settlement established as a result of an active land invasion process. This area of informality is not yet administratively assessed by the municipality as an informal settlement and will be classified into one of the other typologies once the investigation has been completed. Only emergency relief services will be considered where appropriate.

The City's Department of Informal Settlements reviews all its areas of informality on an annual basis, utilising the most recent aerial photography and annual settlement surveys. The attribute data and management information of the dataset have subsequently been updated.

The City has identified five types of 'areas of informality', namely:

1) **Small farmers and/or rural settlement:** Well-spaced dwelling units that normally have some form of subsistence farming on it. Also conventional areas of informality located outside urban areas.

Image 7: Small farmers and/or rural settlement

2) **Informal settlement:** An unplanned area of informality where unauthorised housing structures that do not comply with any existing planning and building regulations are erected.

3) **Rental stock settlements:** Areas of informality that are located on City-owned rental properties, e.g. amongst hostels or flats (backyarders).

Image 9: Rental stock settlements

4) **Backyarder settlement:** Areas of informality that started as backyarders on private property and have spilled over to City property (mostly public open spaces, vacant community facility sites, or roadways or road reserves vested in the City of Cape Town).

Image 10: Backyarder settlements

5) **Incremental Development Area (IDA) or Temporary Relocation Area (TRA) and UISP type of settlement:** Areas of informality that were developed with the aim of creating temporary or incremental opportunities by the City of Cape Town, Western Cape Government, etc. These developments require planning layouts, more formal service delivery, and is the first step towards formalisation.

Image 11: Incremental Development Area or Temporary Relocation Area

Table 35 below gives a breakdown of the number of informal areas within the City and the estimated structure count as at January 2022. As illustrated, there was a significant growth in the formulation of new settlements due to unlawful occupation since the commencement of lockdown. Currently, there are 835 informal areas within the City, which are categorised as follows.

Table 35: Number of informal areas and structure count within the City of Cape Town as at January 2022

TYPES - AREAS OF INFORMALITY	# SETTLEMENTS	# STRUCTURES
Backyarder Settlement	31	1 419
Informal Settlement	683	270 496
IDA/TRA/ Re-blocked	33	12 361
Informality on Public Housing estates	71	9 478
Small Farmers/ Rural Settlement	17	2 863
TOTAL	**835**	**296 590**

The provision of basic interim services to informal settlements is essential in order to alleviate the immediate/emergency need to access potable water, sanitation services and certain preventative measures to curtail the occurrence of disasters.

Approximately 20,5% of Cape Town's population currently live in informal housing with varied access to basic services. Access to basic services depends on the density and accessibility of the settlement and depends on the ownership of the land (i.e. Council- or privately owned land). The City is committed to providing and maintaining services to informal settlement areas in line with the national guideline levels, which include one tap per 25 families within 200 metres, a minimum of one toilet per five families, and weekly refuse removal. In some instances, the City exceeds these national levels.

Where the City cannot achieve the minimum service levels due to encumbrances beyond its control (such as waterlogged or privately owned land, or settlements that are too densely populated to allow access to services), the informal settlements must be reconfigured through super-blocking and re-blocking or other de-densification initiatives.

Improving access to basic services to informal households may include:

- Additional taps and toilets;
- Raising of platforms to obviate flooding;
- Integrated environmental health service;
- Communal ablutions and wash facilities;
- Stormwater channels;
- Grey water drainage;
- Electrification infills;
- Access roads; and
- Appropriate buffers or firebreaks to reduce fire risks.

In order to provide full 1:1 services on a permanent basis for households in the informal settlements, there are certain preconditions to be met before installation can take place:

- Geotechnical investigations and environmental approvals are required by law before capital investments of this nature can be undertaken.
- An approved layout plan with erven is required in order to undertake the necessary detailed engineering designs for the settlement.
- It must be determined upfront if the service points will be linked to a top structure or provided to the erf boundary only.

Although the provision of basic services such as water, sanitation and electricity is not the core function of the Human Settlements Directorate (the Water and Sanitation Department is responsible for this), it is important to reflect on what has been delivered thus far to residents living in informality. The figure below illustrates the number of taps and toilets that have been installed in informal settlements across the City for the period 2012/13 – 2020/21.

Figure 5: Basic service provision within informal settlements over the period 2012/13 – 2020/21

Taps Provided

Year	Taps
2012_2013	8109
2013_2014	5214
2014_2015	4865
2015_2016	6075
2016_2017	6696
2017_2018	6086
2018_2019	6372
2019_2020	7387
2020_2021	8422

Sanitation Provided

Year	Sanitation
2012_2013	40296
2013_2014	44249
2014_2015	47295
2015_2016	49217
2016_2017	48501
2017_2018	50003
2018_2019	50730
2019_2020	51871
2020_2021	58596
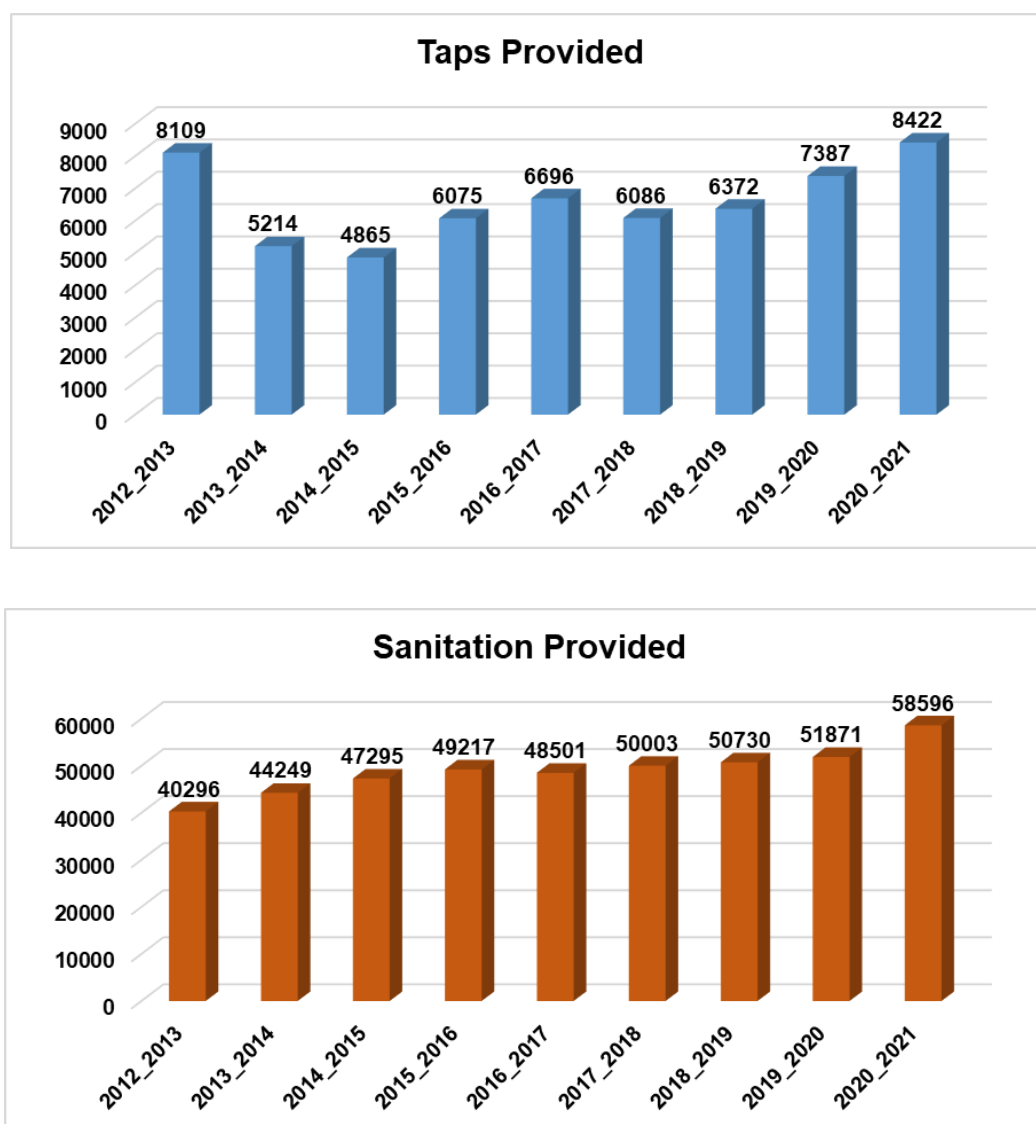
To achieve the service delivery objectives above, each informal settlement needs to be allocated an underlying upgrade layout as part of the UISP, which will inform and ultimately drive tenure and sustainable and climate-resilient formal development while ensuring access to green open spaces (and the ecosystem services they provide as far as possible), education, health, business development, sport and recreation, and policing. The informal settlements can therefore either be upgraded in-situ where possible, or be included in planned Greenfields projects. Going forward, it is therefore important to align the upgrade of informal settlements with planned Greenfields projects as this would unlock land to formally accommodated residents within informal settlements.

4.1.5.1 Incremental upgrade of informal settlement initiatives

The City of Cape Town has embarked on a new strategic approach to the upgrade of informal settlements, which can be characterised as follows:

- **Working with and not against informality** – and accepting that, given our constrained economic future, it is likely to persist in the future
- **Ensuring that there is a rapid response at scale** – i.e. ensuring some level of change and improvement occurs in all informal settlements within a short period of time, with no informal settlements left on a developmental 'back-burner'
- **Multi-pronged and flexible** – consisting of a range of different responses that are responsive to and appropriate for local conditions
- **Giving priority to the upgrading and improvement of informal settlements in-situ** with relocations being undertaken as a last resort only, or where land settled on is an identified biodiversity priority area or at risk from natural hazards
- **Ensuring meaningful community participation**, engagement and local ownership
- **Giving priority to the provision of basic services and functional tenure** as the first line of response and ensuring that this is expedited (except in rare cases where relocations are necessary and justified)
- **Maximising the use of scarce land** while ensuring the protection of green infrastructure and biodiversity assets and being cognisant of the layout and design plans to mitigate against the spread of fires
- **Integrating and including informal settlements** with the planning of the city
- **Understanding informal settlements** in their spatial and socio-economic context
- **Ensuring that livelihoods and economic opportunities are afforded priority** (protected or supported)
- **Improving access to key social facilities**, e.g. education and healthcare
- **Improving public transport** access
- **Accepting that collective functional tenure** (through settlement-level recognition) is the minimum form of tenure and that conventional tenure title deeds are in most instances incompatible with rapid basic services delivery. For this reason the right of occupation is recognised, resulting in safety from eviction and the right to benefit in the incremental upgrading process. This recognition comes in the form of issuing informal settlement residents with occupancy certificates.

When considering how the City can improve on how it deals with informality, it is important to differentiate between the following aspects, as both need to be dealt with:

- **In-situ upgrading** – whereby targeted settlements identified via the project pipeline are demarcated for upgrading (as per the UISP) and have budgetary support denoted to their upgrading, captured within the City's medium-term revenue and expenditure framework (MTREF).
- **Improved ratios of basic services** – applicable to those settlements that are yet to be approved for in-situ upgrading through the project pipeline (bottom-up approach). Basic

services are provided to *all informal settlements* in order to try to achieve better ratio of shared services and better quality of services.

The City has established a rapid assessment approach for informal settlements, with the following aims:

- To obtain a rapid overview of the locality, scale and nature of informal settlements, and in particular to better understand the priority needs as well as the site constraints and development ability pertaining to different settlements.

- To determine an initial categorisation of all informal settlements, indicating the appropriate type of developmental response for each one (based on a preliminary assessment of site development ability and formalisation potential, it being noted that, as a result of more detail subsequent investigations, this categorisation may later need to be reviewed and changed).

- To enable strategic prioritisation of informal settlements for different developmental responses.

- To enable the allocation of budgets for professional services and capital expenditure on multiyear (MTEF) expenditure frameworks (associated with further pre-feasibility and feasibilities studies, design, and implementation/construction, e.g. emergency or basic services, land acquisition, full services, housing).

- To provide the essential input required to develop an Informal Settlements Strategy.

- To identify priority settlement improvement actions pertaining to:
    - basic infrastructure, tenure and housing improvements, and
    - broader socio-economic improvements (e.g. pertaining to primary healthcare, early childhood development, public transport, basic education, informal economy).

Rapid assessment ensures that all settlements are identified, mapped and assessed and that relevant and realistic developmental pathways are formulated for each, ranging from rapid full upgrading to the provision of basic services as an intermediate measure, with relocations only undertaken as a last resort.

Rapid assessment is an activity undertaken at the 'programme level' in order to identify and better understand informal settlements and to thereby categorise them in terms of the broad types of developmental responses that are appropriate and achievable. It is quite distinct from the pre-feasibility, feasibility and project-level planning work that would follow. Lastly, it makes use of readily available information sources and at this stage does not entail the initiation of specialist studies or community input.

A review of all informal settlements was undertaken from an area-based approach. All City line departments operational in the respective regions were invited to a working session with the Department of Informal Settlements within the Human Settlements Directorate. Each informal settlement was jointly assessed, taking all spatial analytical data into account in order to find and

agree upon the most likely solution for the informal settlements. This will continue to take place periodically as new informal settlements emerge.

The analysis of each settlement resulted in the most likely development pathway for that specific settlement. The development recommendation can be one of the following options:

- **De-densification** – Settlements that will be required to be de-densified prior to any in-situ (UISP or super-block) development being implemented. Basic services provided in interim.
- **Super-block** – Settlement is suitable for a super-block approach, which can comprise residential blocks of approximately 90 m x 30 m with the provision of shared water (1:25 ratio) and sanitation (1:5 ratio), door-to-door waste collection and individual electrification. All roads, stormwater and pedestrian access ways to be developed to an 'A-grade' standard.
- **UISP** – Settlements that will be developed as a UISP type of project with individual erven, and with each erf having its own water and sanitation points (1:1 ratio), waste collection, formal roads, stormwater management and electrification.
- **Re-blocked** – Settlements that can potentially be re-blocked where it meets the density and settlement size criteria. Those settlements where the City has established and confirmed the interest and willingness of the community to participate and support a re-blocking type of project.
- **Total relocation** – Certain settlements will be required to be relocated in totality due to various factors such as location in areas prone to flooding, under powerlines in road reserves, on landfill sites, etc. The locational risk factors of the settlement require relocation to a safer environment. Basic services provided in the interim.

The initial categorisation indicates the most appropriate developmental response for each area of informality, which enable the strategic prioritisation and allocation of financial and human resources on a multi-year expenditure framework. The informal settlement project pipeline is developed as an outcome of this dataset review. The project pipeline is regularly reviewed to ensure that new and urgent projects are appropriately and timeously planned and resourced.

Conditions for upgrading

The alignment of specific conditions premeditate placement on the upgrading pipeline. All of the below conditions must be met in order for upgrading to take place. Should any of the requirements not have been achieved, the upgrading cannot commence and the project will move down the upgrading pipeline and be replaced by the next available project.

The first condition is that the land must be owned by the City of Cape Town. Due to the rights assigned to the authority of ownership, the City is unable to service settlements on private land or land owned by other state entities, unless granted power of attorney to do so. If the land is not owned by the City, the City must enter into negotiations to procure the land from the landowner prior to initiating any upgrading or basic service provision.

Secondly, the land must be determined as suitable for human settlement development. This is based on a risk assessment of the settlement, the age of the assessment and various other factors.

When undertaking in-situ upgrading and some displacement amongst residents of the settlement is necessary, adjacent land capable of absorbing the de-densified residents must be available whilst the infrastructure upgrade takes place.

The appropriate land use rights must be obtained for the land, alongside the necessary permissions granted by an environmental impact assessment (EIA) and a water use licence application, etc.

The City must have entered into constructive engagements with the community who, in turn, must demonstrate a measure of readiness for the project and be cooperative toward its undertaking. These engagements are generally concretised through agreements/contracts with all role-players.

Should the upgrade project satisfy the above conditions, as well as those of the rapid assessment, and not be subject to any excluding factors, then the City's Informal Settlements Department should have submitted the project for capital budget allocation accessing UISP grants, USDG and City funds. Capital budget must be allocated for the entire project over the various financial years prior to commencement.

The SCM procurement process for the project must be completed prior to the contractor assuming responsibility for the on-site upgrade.

Factors that preclude a settlement from being upgraded

There are certain physical conditions that may preclude the settlement from being considered for upgrading, which will then require the settlement to be relocated in totality.

The physical conditions to be taken into consideration include but are not limited to the following:
- Land ownership – if settlement is located on land not owned by the City of Cape Town
- Settlements located below the 1:50 flood line, or in declared wetlands or in nature reserves, biodiversity sensitive areas
- Settlements located in or on any servitude, e.g. power lines, road or rail reserves
- Settlements located on former landfill sites or unstable land
- Settlements located in stormwater retention or detention ponds
- Settlements located on land not zoned for residential purposes and where the relevant City and/or provincial department still require the site for non-residential development, e.g. community site or school site
- Settlements seaward of the coastal edge
- Settlements located on former landfill sites, landfill buffer zones or unstable land
- Settlements located within ecologically sensitive areas
- Settlements located in areas that are high fire risks

Settlement categorisation

The categorisation at the rapid assessment stage is on a preliminary basis, as informed by the best information available from rapid desktop and on-site assessments. This is an initial technical exercise for planning purposes, and more detailed engagements with communities occur at a project level. The following were taken into consideration during the categorisation stage:

- **Attribute data**: For example, location; size in hectares; number of structures; current service levels, zoning and land use rights; risk factors such as fire, flooding or ponding; biodiversity criteria; distance to nearest school, ownership.
- **Human intelligence**: For example, is it better to upgrade or clear the settlement? Is the settlement simple or complex in respect of engagement? Is it a high- or low-risk settlement? What percentage of the settlement is to be relocated?
- **Management information:** Is the settlement high, medium or low priority in respect of servicing? What kind of intervention is best, i.e. re-blocking, in-situ upgrading (with or without decanting), full relocation? Which proximate piece of vacant land is paired with the settlement?

The following broad categories of informal settlement were used during the rapid assessment.

Table 36: Informal settlement categories

CATEGORY A – CONVENTIONAL FORMAL FULL UPGRADING	- Site is viable and appropriate for long-term upgrading - Project is implementation ready (i.e. UISP type projects) - Settlement is located on land owned by the City - There is no immediate risk (flooding, powerlines, etc.)
CATEGORY B1 – INTERIM BASIC SERVICES	- Settlement can be upgraded in the future but would require de-densification as Phase 1 to an adjoining or nearby vacant land parcel - Site is viable and appropriate for long-term upgrading (land, bulk service, topography, environmental, geotechnical, all in order) *BUT* - Site is not implementation ready (i.e. cannot be expedited in the next year or two due to a lack of available funding, land not yet secured, bulk services not yet in place) - Settlement is located on land owned by the City - Density of settlement requires de-densification to provide space for sites, services and access - There is no immediate risk (flooding, powerlines, etc.)
CATEGORY B2 - EMERGENCY BASIC SERVICES (eventual relocation when time and resources permit)	- Site NOT viable for long-term upgrading *BUT* - No urgent need for relocation (e.g. material and immediate threat to safety through flooding, slope instability, toxic waste exposure, etc. - Density of settlement requires de-densification to provide space for sites, services and access - Settlement partially located in road or rail reserve, servitude or in future public transport route - There is no immediate risk (flooding, powerlines, etc.)
CATEGORY C – FULL RELOCATION	- Site NOT viable and appropriate for long-term upgrading *AND* - Urgent need for relocation, e.g. material and immediate threat to safety through flooding, slope instability, toxic waste exposure, etc.) - Relocation destination available (either in-situ upgrade of Greenfields projects with unallocated sites *OR* - Settlement is located on land not owned by the City, i.e. sensitive privately owned or state-owned land, e.g. SANRAL, PRASA, Transnet, etc. - Settlement located in servitude, road reserve, rail reserve or future public transport route - There is an immediate risk associated with the settlement, i.e. flooding, ponding, detention pond, powerlines, servitude, Biodiversity Core 1, very high density, etc.

Constraints and challenges

The human settlements environment faces numerous other challenges, some of which can be addressed in the short term. However, many require a longer-term approach.

The challenges and constraints include:

- Doing things differently – for example, proactively managing informality through an area-based management approach takes time in terms of resourcing (human, financial end equipment, vehicles, etc.).
- Incremental in-situ upgrading takes a long time in terms of finding well-located and developable land (i.e. all land use and planning approvals) for the relocation and de-densification of existing informal settlements. A parallel process is required where vacant land is prepared, relocations occur and the simultaneous in-situ upgrading of the original settlement takes place.
- Leaders to champion new approach towards in-situ upgrading where communities have expectations for a formal housing solution.
- Stronger and additional human and financial resources required (i.e. technical and community facilitation resources) for the implementation of in-situ-related projects.
- More flexible statutory and regulatory environment when informal settlements are identified for in-situ upgrading. Currently, the process requires compliance as if it is a formal housing (BNG/CTU ,etc.) development being undertaken.
- Participative planning with communities takes a very long time and is complex even after initial consensus was obtained from the community; they still refuse development at a stage when contractors move onto site.
- Community-related violence (gangsterism) negatively affects the implementation of projects, resulting in very limited or no expenditure on a project.
- Partnership building with communities, NGOS and CSOs is essential but have led to raised expectations when in-situ upgrading or re-blocking is envisaged.
- Ever-constant threat of unlawful land occupations and invasions.

Despite the challenges listed above, the City is committed to plan for the upgrade of informal settlements in a variety of ways. The project schedules below list the informal settlements project portfolio to be implemented over the short to medium term. A number of these projects have received budget approval for the latest MTREF period and are in the process of being developed or will commence within the short term (2022/23 – 2026/27). The commencement of the rest of the project portfolio will be dependent on the available budget allocation within the coming years, the availability of suitable land and whether the initiatives are still in line with City priorities. Table 37 below provides a summary of the upgrading of informal settlements initiatives planned for the short/medium term.

Table 37: Summary of informal settlements initiatives to be developed over the short to medium term

Upgrading of Informal Settlement initiative	Number of project for the period 2022/23 – 2026/27
Service Sites 1:1	24
Super Blocking	19
Reblocking/ Enhanced Services	11
Basic services (Water and Sanitation)	21
Managed Settlement Program	10
TRA/IDA 1:1	9
TRA/IDA 1:5	3
Total	**97**

Table 38: Informal settlements project pipeline for the short to medium term

Incremental Development - Service Sites 1:1			
Informal Settlement project	**Area**	**Project Phase**	**No of households**
Deep Freeze: Services Formal Area	Macassar	Construction	440
Freedom Park UISP	Ottery	Construction	159
Backstage 1	Khayelitsha	Construction	250
Greater Enkhanini	Khayelitsha	Detailed Engineering Design	8000
8ste laan	Valhala Park	Detailed Engineering Design	560
Kalbaskraal	Grassy Park	Detailed Engineering Design	19
Mfuleni Ext 1	Mfuleni	Detailed Engineering Design	526
Bosasa Link	Mfuleni	Detailed Engineering Design	780
Military heights	Lavender Hill	Detailed Engineering Design	121
Villlage Heights	Lavender Hill	Detailed Engineering Design	730
Kampies	Lansdown	Detailed Engineering Design	275
Shukushukuma	Mfuleni	Detailed Engineering Design	627
Beverly Hills	Strand	Feasibility/Pre-Planning	27
Erf 148 Philadelphia	Philadelphia	Detailed Engineering Design	19
Garden City 2	Mfuleni	Detailed Engineering Design	201
Mfuleni Central Dune	Mfuleni	Detailed Engineering Design	558
Park Road	Philippi	Feasibility/Pre-Planning	TBC
Bosasa Ext	Mfuleni	Feasibility/Pre-Planning	TBC
Enkanini - South	Khayelitsha	Feasibility/Pre-Planning	TBC
Victoria Mxenge Informal Settlements *S section, VT, WB and YB section*	Khayelitsha	Feasibility/Pre-Planning	TBC
Mountain view	Ocean View	Feasibility/Pre-Planning	12
Rietpoel	Blue downs	Feasibility/Pre-Planning	9
Hilda Park	Hout Bay	Feasibility/Pre-Planning	TBC
Crossroads 16	Crossroads	Feasibility/Pre-Planning	54

Incremental Development - Superblocking			
Informal Settlement project	**Area**	**Project Phase**	**No of households**
Imizamo Yethu IS Emergency Project	Hout Bay	Construction	1411
Sweet Homes IDA & UISP Phase 2	Philippi	Construction	3 040
Monwabisi Park (M Section)	Khayelitsha	Detailed Engineering Design	TBC
Barney Molokwana (BM) Section	Khayelitsha	Detailed Engineering Design	4094
Monwood	Philippi	Detailed Engineering Design	1411
Doornbach UISP	Milnerton	Planning	3310
School Site	Dunoon	Feasibility/Pre-Planning	631
Barney Molokwana (BM) Section 2	Khayelitsha	Feasibility/Pre-Planning	TBC
Greater Monwabisi Park remainder	Khayelitsha	Feasibility/Pre-Planning	TBC
YAB Section	Khayelitsha	Feasibility/Pre-Planning	TBC
Tsepe- Tsepe	Khayelitsha	Feasibility/Pre-Planning	TBC
Fisantekraal	Fisantekraal	Feasibility/Pre-Planning	2174
Lotus Park	Philippi	Feasibility/Pre-Planning	1449
Marikana	Philippi	Feasibility/Pre-Planning	8320
K2 Section	Khayelitsha	Feasibility/Pre-Planning	293
Harry Gwala	Philippi	Feasibility/Pre-Planning	661
KTC1	Gugulethu	Feasibility/Pre-Planning	1005
SST (Ptn Silvertown)	Khayelitsha	Feasibility/Pre-Planning	TBC
St Johns	Wallacedene/ Kraaifontein	Feasibility/Pre-Planning	34

Incremental Development - Reblocking/ Enhanced Services			
Informal Settlement project	**Area**	**Project Phase**	**No of households**
Hida Park (Hangberg)	Hout Bay	Construction	TBC
Masi Fire and Sportsfield	Masiphumlele	Construction	TBC
Wolwerivier Road Rehab	Wolwerivier	Construction	TBC
Sondela	Mfuleni	Construction	330
Wallacedene TRA	Wallacedene	Construction	TBC
Citabatwe Crescent	Victoria Mxenge, Khayelitsha	Planning	44
Sikonanathi	Gugulethu	Feasibility/Pre-Planning	81
Wag n Bietjie 2	Strand	Feasibility/Pre-Planning	128
William & Dorris	Kraaifontein	Feasibility/Pre-Planning	42
Task Team 2	Lwandle Strand	Feasibility/Pre-Planning	110
Iqwarhasashe Street	Gugulethu	Feasibility/Pre-Planning	TBC

Incremental Development - Basic services (Water and Sanitation - Shared Services)		
Informal Settlement project	**Area**	**Project Phase**
Nkanda Kraaifontein	Kraaifontein	Planning
Dunoon TRA	Dunoon	Construction
Kraaifontein invaded areas	Kraaifontein	Construction
Imizamo Yethu	Houtbay	Planning
Langa greywater chambers	Langa	Planning
Burundi I.S upgrades	Mfuleni	Planning
Congo reticulation	Mfuleni	Planning
K2 informal settlement	Khayelitsha	Planning
Barcelona/Europe container toilets	Gugulethu	Construction
Gaba Village	Elsies river	Planning
Vygieskraal	Athlone	Planning
New Rest extension	Gugulethu	Planning
Sweethomes	Philippi	Planning
Overcome Heights	Lavendar hill	Planning
Block 6	Philippi	Planning
Kosovo	Gugulethu	Planning
Winnie Madikizela	Philippi	Planning
Lockdown	Philippi	Planning
Boystown	Philippi	Planning
Jungle	Philippi	Planning
Masi	Masiphumelele	Planning

Incremental Development - Managed Settlements			
Informal Settlement project	Area	Project Phase	No of households
Witsands	Atlantis	Feasibility/Pre-Planning	TBC
Leonsdale	Elsies River	Planning	TBC
Block Macassar	Macassar	Feasibility/Pre-Planning	TBC
Lotus River	Lotus River	Feasibility/Pre-Planning	Approx 327
Portion Enkanini South	Khayelitsha	Feasibility/Pre-Planning	TBC
Portion Bosasa Link	Mfuleni	Feasibility/Pre-Planning	TBC
Ocean View	Kommetjie	Feasibility/Pre-Planning	TBC
Wallacedene farm - 221	Kraaifontein	Feasibility/Pre-Planning	TBC
Slangetjiebos	Retreat	Feasibility/Pre-Planning	TBC
Royal Road	Maitland	Construction	20

Green Field Developments - TRA/IDA 1:1			
Informal Settlement project	Area	Project Phase	No of households
Enkanini South TRA	Khayelitsha	Construction	2500
Ravensmead (AKA Sweet Lips IDA)	Ravensmead	Construction	50
Sweet Homes Farm IDA	Philippi	Construction	300
IY Phase 3	Houtbay	Detailed Engineering Design	TBC
Block Macasar	Macassar	Feasibility/Pre-Planning	41
Wolwerivier Extension	Cape Farms	Detailed Engineering Design	TBC
Dark City	Strand	Feasibility/Pre-Planning	22
Gaza Leonsadale	Goodwood/Elsies River	Feasibility/Pre-Planning	113
Umbashe Street 2 & Itsitsa Street	Mfuleni	Feasibility/Pre-Planning	Umbashe Street 2: 5 Itsitsa Street: 8

Green Field Developments - TRA/IDA 1:5			
Informal Settlement project	**Area**	**Project Phase**	**No of households**
Masi Sportsfield	Noordhoek	Construction	TBC
Slangetjie Boss	Lavender Hill/Retreat	Feasibility/Pre-Planning	TBC
Uitsig/Epping Market	Epping	Feasibility/Pre-Planning	TBC

Map 17: Spatial location of informal settlements projects in various development stages across the City
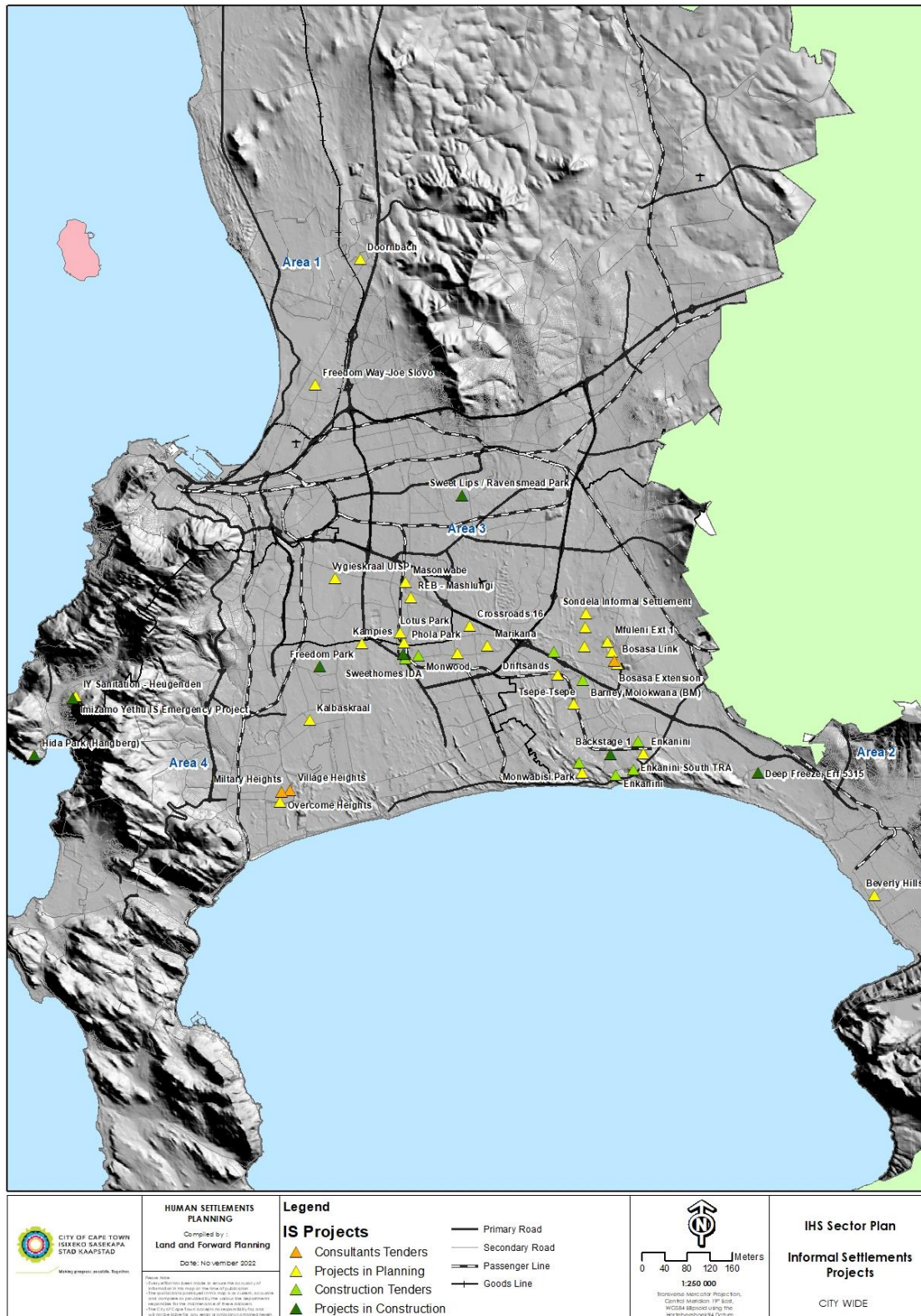
4.1.5.2 Response to unlawful land occupation

Cape Town has experienced a deluge of unlawful land occupation attempts since the beginning of the implementation of the Disaster Management Act in late March 2020. As COVID-19 spread across the country over the past number of years, pre-empting the application of the Risk-mitigated Strategy by the National Government, unlawful land occupation has increased in intensity and frequency in the city.

The City of Cape Town does not condone the unlawful occupation of land. This activity is a threat to the right to housing, the development plans of the City and, therefore, to the wellbeing of residents who are intended to form part of integrated human settlement solutions. It stands to negate the spatial transformation agenda of the City by occurring on sites that are, for the most part, not suitable for human settlement development, are far from economic and social services, and are sites such as nature reserves and green open spaces that provide critical ecosystem services for the greater Cape Town region.

The City is the custodian of the largest property portfolio in Cape Town. This portfolio is intended to support the future growth requirements of the city, including land for industrial, residential, commercial, and transport inter-change development.

Furthermore, its current development sites (housing, parks, social service centres, nature reserves, clinics) are intended to service entire beneficiary communities. Inversion of these developments by unlawful land occupation, for the benefit of individual households, threatens the development gains of established communities and, where this occurs on green open spaces, it threatens the ecosystem services provided by such spaces, and ultimately threatens the City's resilience.

Unlawfully occupied sites require short-term temporary service provision as well as long-term basic service infrastructure installation and are often unsafe and located in areas unsuitable for occupation because of flood or fire risks. Establishing services (both temporary and permanent) on already occupied land is an incredibly expensive process for the City, and diverts critical financial resources from other areas of need. However, in instances where unlawful land occupation has occurred, the City requires clarity on the necessary response mechanisms to provide emergency relief on humanitarian grounds to newly occupied sites so that future sustainable, integrated development might occur and that the City might fulfil its constitutional mandate of providing residents with access to basic service and at the same time uphold its strategic purpose.

To this end, the City has drafted an Unlawful Land Occupation Framework and the Unlawful Occupation By-Law to assist the City to be proactive in its attempt to address the issue of unlawful land occupation. As part of the short-term intervention proposed in the framework and by-law, the City must establish a mechanism for pre-emptively protecting its land from unlawful occupation. Furthermore, the framework recommends that the City must confirm its plans for the provision of temporary basic services; particularly to recently unlawfully occupied settlements. As such, the City developed a system and procedure for the emergency relief for newly formed informal settlements, following the unlawful occupation of land.

This document sets out the emergency relief commitments that the City will provide in the event of an unlawful land occupation, as well as the procedures that the City will adhere to when implementing it.

The additional short-term plans as stated within the framework suggest that the City should focus on the following as it relates to unlawful land occupation:

- Creation of a plan to proactively combat unlawful land occupation and preserve City land resources.
- Institutional response to unlawful land occupation that harnesses the actions of multiple directorates (and does not leave the onus on a small portion or role-players).
- Identification and activation of a wide range of stakeholders (enabling inter-governmental cooperation) to support the efforts against unlawful land occupation (internal and external to the administration) and the creation of a transversal unlawful land occupation committee that operates in a coordinated fashion to address the issue.
- To establish better lines of communication within the City and between the City and the public via the development of a communication and education plan.

The City has introduced the concept of managed land settlements (MSP) as one of the methodologies towards a proactive response for unlawful land occupation. This approach is premised on incremental settlement development that emphasises the provision of planned secure land with basic services as a first step towards a longer-term housing and settlement upgrading process into houses and established neighbourhoods. It is aimed at expediting housing development processes by ensuring the rapid, planned settlement of an area. This enables the homeless and destitute residents to be settled quicker than would be the case for a conventional housing project. The MLS approach can be implemented using existing government programmes such as the UISP, which permits for the programme to be implemented on Greenfields land whereby beneficiaries are provided with serviced stands.

Various pilot projects are being considered to test this approach, namely:

- Bosasa Link (1 282 managed settlement sites and in the future 641 transferrable sites can be created): Received community objections for serviced sites. Receiving community demanding top structures (similar to adjacent Bosasa IDA). Negotiations ongoing.

- Extension 1, Mfuleni: 1 100 managed settlement sites and in the future 550 transferable sites can be created. In process of obtaining land use rights (LUMS approval).

- Enkanini South: 1 000 opportunities. EIA approval obtained in 2022. Finalisation of engineering designs Nov 2022 – Jan 2023. Construction starts Feb 2023 [term tender in place]. Anticipated value R35m over two financial years.

- Slangetjiebos located in the False Bay Nature Reserve: Increase in the number of occupants, i.e. latest count at 1 300+. Alternative site identified and awaiting EIA screening report.

- Royal Road in Maitland: Completed. Started as an MSP project but due to NGO and receiving community issues the project was further enhanced with TRA top structures. (Now regarded as a TRA / IDA typology.)

4.1.5.3 Backyarder Services Provision Programme

Many Cape Town households reside in informal structures on City-owned rental housing properties with limited or no direct access to basic services such as water, sanitation, electricity and refuse removal. These households, also known as backyard dwellers, are often relatives of the tenant or owner of the main Council rental property, who as a result of overcrowding in the main housing/ rental unit have set up home in the 'unused' communal spaces, yards or forecourts of the Council-owned property. However, providing a backyard structure has also become a profitable informal industry for City tenants (known in this instance as landlords) as people moving to the city for employment are in need of affordable accommodation in close proximity to job opportunities.

The income profile of these residents vary and therefore some are eligible for state-subsided housing (BNG housing) while others struggle to qualify for formal mortgage funding from a financial institution. Backyard structures range from unsound wood-and-iron constructions to Vibracrete and brick-and-mortar structures. In most instances, these structures do not comply with the norms and standards in terms of the National Building Standards Act, Act 103 of 1977 or municipal by-law regulations, which presents health and safety concerns as well as environmental risks. The inhabitants pay their 'landlords' for the space and are often subjected to unfair rental practices and exploitation. Landlords may deny these backyarders access to the toilets and washing facilities located within the Council flat.

It is therefore important to the City that these residents must receive access to the same services as those afforded to residents of informal settlements as, by implication, the backyarder areas are informal areas. Currently, there is no national policy nor a national subsidy programme designated to support backyarder intervention by the state, aside from the USDG, which allows the funding of these services for people living in this informal environment.

In an attempt to be a proactive and caring property owner, the City undertook to provide basic services to households living in backyards of City-owned rental housing properties via various term tenders. The Backyarder Implementation Programme provides basic services to backyard dwellers on City rental properties. It consists of basic services such as water, sanitation, electricity and refuse removal. The assets created are thus owned and serviced by the City.

The services provided in backyarder project include:

- Concrete toilet structure(s)
- Single residential (row houses and maisonettes) – one flush toilet structure per backyard
- Multi-storey rental housing units with courtyards on City land – one toilet per five structures
- One flush toilet structure per backyarder unit connected to municipal mains
- Tap stand per toilet structure

- Wash basin per toilet structure
- Water dispensing system (water management device)
- Prepaid electricity meter (maximum three structures per backyard is electrified)
- Refuse removal (240-litre Wheelie bins) once per week

Backyard service installations are provided in the following manner:

- Single residential (row houses and maisonettes) – maximum one service point per three backyarder structures (1:3)
- Multi-storey rental housing units with courtyards on City land – maximum one service point per five backyarder structures (1:5)

Backyarder installations completed for the period 2014/15 to 2021/22 are illustrated in the table below:

Graph 6: Backyarder Installations for the period 2014/15 – 2021/22
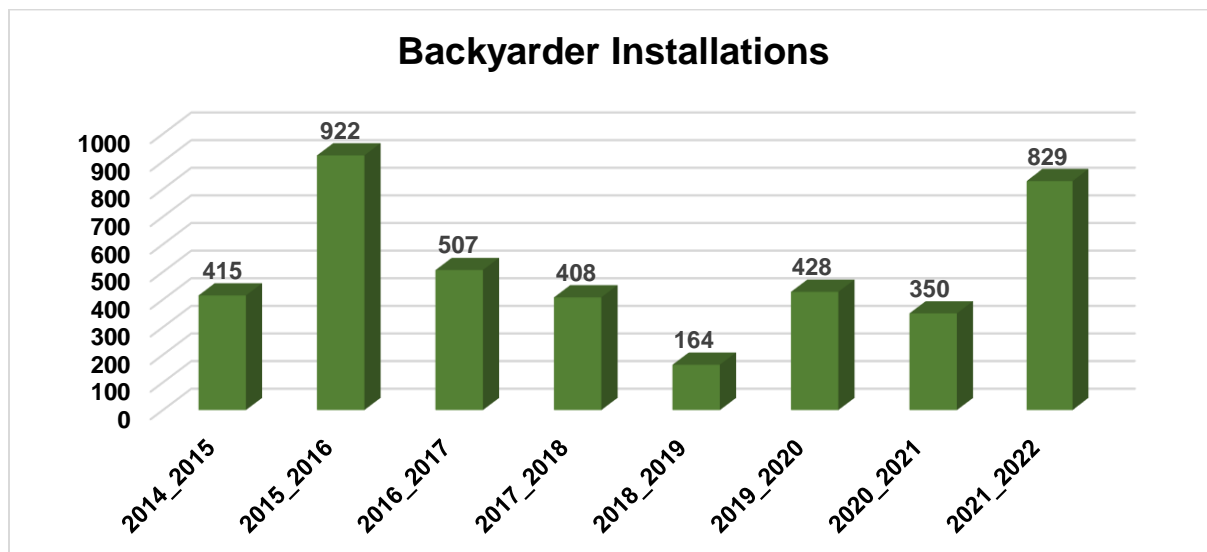
Table 39: Backyarder installations for the period 2014/15 – 2021/22

2014_2015	2015_2016	2016_2017	2017_2018	2018_2019	2019_2020	2020_2021	2021_2022	TOTAL
415	922	507	408	164	428	350	829	**4023**

In terms of backyarder installations, the ratio is a maximum of 1:3 (one unit to a maximum of three households) as far as possible.

The aim is to roll out this programme to all City-owned public rental housing properties with backyard structures located on it. However, the repairs and maintenance of City-owned assets

provided in backyard locations prove to be an ongoing challenge that requires further consideration to ensure a sustainable model going forward. Thus far, the following areas (to a greater or lesser extent) have benefited from the backyarder programme since the inception of the programme:

Table 40: Beneficiary areas of backyarder services

Atlantis	Gugulethu
Lotus River	Ocean View
Lavender Hill	Heideveld
Bonteheuwel	Parkwood
Manenberg	Kalksteenfontein
Cafda	Tafelsig
East ridge	Scottsdane
Mitchells Plain	Facretron
Uitsig	Scottsville
Grassy Park	Hanover
Morning Star	Lotus Rivier
Elsies River	Bellville South

Budget has been allocated until 2024/25 for the continuation of the backyarder services provision programme, which will deliver access to basic municipal services to households residing within the backyards of Council-owned public rental housing.

4.1.6 Other programmes

4.1.6.1. Title Deed Restoration: Ownership Regularisation Programme

The Ownership Regularisation Programme (ORP) was established in 2016 with the purpose to develop a programme plan that will outline a work schedule, funding and resource requirements to address the City of Cape Town's subsidised housing title deed backlog linked to housing opportunities created by the state between 1994 and 2010. This programme is intended to ensure as many transfers as possible to qualifying beneficiaries and occupants with minimal legal risk and exposure; in order to create sustainable communities and a future rates base. To date, the ORP has transferred most of the possible properties to the identified occupying beneficiaries.

The ORP investigated the various ways and means of fast-tracking the delivery of titles, which resulted in a report to Council, namely **Process, Parameters and Mechanisms for the Identification and Confirmation of Housing Subsidy Beneficiaries to Enable Transfer of Ownership in Developed Subsidy-Financed Housing Schemes,** which is now a provincial policy.

There are currently an estimated 11 856 beneficiaries not occupying houses, and each of these would need to be regularised by completing the following steps:
- contestations finalised
- subsidies applied for
- transfers effected to new approved beneficiaries or in the case where no subsidy can be obtained
- a sale has to be affected to the occupants

Over 20 000 occupancy surveys have been finalised to date, and most transfers to occupying beneficiaries have been completed. The remaining transfers to occupants can only be concluded within the approved regularisation process. Although the Human Settlements Directorate is currently working on a number of such regularisations, the directorate is consulting with the Provincial Department of Human Settlements to further streamline the existing regularisation policy in order for transfers to be effected to qualifying occupants more efficiently.

The communities and housing projects that will be targeted as part of this project are listed below:

Table 41: Ownership Regularisation Programme Project List

Project Name	Location
Happy Valley	Blackheath
Makhaza E, C, W	Khayelitsha
Masijongane	Blackheath
Nyanga Upgrade(Masiphathisane)	Nyanga
Ubunye	Gugulethu
Bloekombos	Kraaifontein
Du Noon	Milnerton
Marconi Beam	Joe Slovo
Mitchells Plain	Mitchells Plain
Silvertown	Khayelitsha
Site C	Khayelitsha
Fisantekraal	Fisantekraal
Kleinvlei	Kleinvlei
Klipheuwel	Stellenbosch
Philippi Park	Philippi
Vrygrond	Lavender Hill
Wesbank	Blue Downs
Witsand	Wesfleur
Bardale	Kuils River
Lwandle	Strand
Nomzamo	Strand
Wallacedene	Kraaifontein
Browns Farm	Philippi
Philippi Village	Philippi

The City has obtained grant funding to finance the administration of these regularisations, and the process is now moving forward.

Due to the informal trading of these historic subsided properties, there are many contested claims on erven, or occupants have passed away. This requires specialist legal intervention, due to the requirements from the Master of the High Court's office, as these cases have to be dealt with as deceased estates.

As such, the nature of the regularisation process is complex and laborious. The operational model of the business unit responsible for this intervention will therefore require an expansion, especially to deal with, and manage, the various contestations that are arising as part of the regularisation process.

4.1.6.2 Housing Needs Register

The Housing Needs Register (HNR) is mainly used to track the number of residents who have expressed their need for housing and to ensure the fair and transparent allocation of housing opportunities, which includes vacant rental housing units managed by the City and ownership housing opportunities created in terms of the state's Integrated Residential Development Programme (BNG houses). The City's Housing Needs Register is therefore a resident's first point of entry into the housing development value chain.

Ideally, a system of this nature should be utilised as a planning tool for future housing developments; however, the current functionality of the Housing Needs Register does not optimally address this. Furthermore, various additional constraints were identified, including potential outdated applicant data. The latter constraint is not due to a system error, but rather due to a culmination of factors such as applicants who do not come forward to update their information on a regular basis, applicants who cannot be traced because their residential address or contact number has changed, or applicants who are deceased and the City is not notified thereof.

In an attempt to enhance the Housing Needs Register and address some of the challenges identified, a project was initiated for the period August 2020 to June 2021 with the following scope of work:

- Data cleaning and updates
- Data quality control checks
- Align the internal and external online application forms to be the same as the manual form
- Alerts – system to send a notification message (email and SMS) subject to the action of relevant triggers activated
- System reports to be revisited and updated
- Functionality to upload supporting documents to an application
- Additional audit features to track changes (e.g. changes to disability field)
- Ensure alignment of the City's Allocation Policy: Housing Opportunities

As part of the outcome of this project, various subsequent interventions were identified to be addressed over the short term to ensure further enhancements to the Housing Needs Register. These interventions are subject to available budget and are listed below:

- Ongoing data cleaning and data enhancement (utilising batch upload scripts developed during the upgrade);
- Ongoing data quality and control checks (the upgrade had introduced new data validation checks when data capturing);
- Ongoing review and upgrading of system reports (which were not fully completed due to the upgrade expiry date);
- Ensuring alignment of the Revised Allocation Policy: Housing Opportunities as approved by Council;
- Negotiating with the Department of Home Affairs to get a link to the National Population Register to ensure an automated process of verifying and updating relevant applicant fields.

4.1.6.3 Human Settlements Policy Framework

The Human Settlements Strategy (HSS) is the overarching tool that sets out the course of action as it relates to human settlement plans and activities over the short, medium and long term. The HSS together with the new mayoral priorities will ultimately steer the human settlements policy agenda for the coming years. This may result in the review of existing human settlements policies where the need arises for the development of new policies, guidelines and standard operating procedures.

The following policy initiatives have been identified for the short term (2022/23 – 2026/27):

- *Review of the Allocation Policy: Housing Opportunities (2015)*

  The allocation of state-subsidised housing developed by the City of Cape Town is governed by the Allocation Policy: Housing Opportunities. Subsequent to the approval of this policy by Council in March 2015, various operational and policy challenges were identified that only became apparent through the implementation of the policy. The Human Settlements Directorate therefore embarked on a policy review process to address the latter limitations and to enhance the policy principles of fairness, transparency and equity.

  This is a key policy within the Human Settlements Directorate as it sets out the criteria and procedures to follow in terms of the allocation of state-subsidised housing opportunities within the City of Cape Town, which include both ownership and rental tenure. A part of the review process, policy provisions for the unlawful occupation of Council rental housing units have been incorporated to ensure a holistic approach to the allocation of public rental housing units in particular. The revised Allocation Policy: Housing Opportunities was approved by Council in March 2022. A series of internal standard operating procedures will be drafted to assist officials with the implementation of the Allocation Policy principles. This includes the Standard Operating Procedure to establish a project engagement committee (previously known as project steering committee) and the terms of reference for this committee, which has already been developed and approved by the relevant delegated authority.

- *Inclusionary Housing Policy*

The City of Cape Town is in the process of developing an Inclusionary Housing Policy. This policy will incentivise the development of well-located affordable housing by the private sector by ensuring compliance with SPLUMA principles of spatial justice and spatial transformation.

- *Social Housing Policy*

A Social Housing Policy is currently being developed, and will be completed in the new financial year. The purpose of the Social Housing Policy is to provide organisational clarity to the way in which the social housing programme is implemented in the City of Cape Town, and to ensure that organisational barriers to the implementation of social housing are reduced to enable the development of much-needed affordable housing for low- and lower-middle income households. As such, this will outline how the City enables and supports social housing in the City. The policy will provide clarity around incentives for social housing, as well as processes around land release to enable the development of more affordable housing as part of the Social Housing Programme.

- *Emergency Housing Framework*

The Emergency Housing Programme within the National Housing Code was crafted to address the needs of households who for reasons beyond their control find themselves in an emergency housing situation such as:
- their shelter has been destroyed or damaged by a natural disaster, fire or localised flooding;
- their prevailing situation poses an immediate threat to their life, health and safety;
- they have been evicted or face the threat of imminent eviction.

This programme is instituted in terms of section 3(4)(g) of the Housing Act, Act 107 of 1997 and, essentially, the objective is to provide temporary relief to people in urban and rural areas who find themselves in emergencies as defined and described in the National Housing Code.

Displacement of persons due to private evictions, especially within the inner City, has become a common occurrence with the court referencing the City to provide alternative accommodation. Despite the provision as set out the National Housing Code, there are various operational and funding challenges the City is faced with in order to find suitable solutions for the various emergency situations residents might find themselves in.

Going forward, the City will endeavour to develop an emergency housing policy framework premised on the national emergency housing policy, which seeks to find suitable solutions for the Cape Town context to ensure that the City can adequately respond to emergency situations, in particular urban evictions.

- *Backyarder Policy*

As already alluded to in this document, the rapid expansion of urban areas has led to emerging land use practices – which include backyarding. Despite this growing phenomenon on public and privately owned properties, there are currently no national human settlements policy that guides the provision of basic services to backyarders. Despite the national policy vacuum, the City has initiated its basic service provision programme for backyarders on public

rental housing properties. Notwithstanding this initiative, the City does not have a formal policy position to the provision of basic services to backyarders within the City.

However, the City's new term-of-office IDP acknowledges the backyarder phenomenon and highlights in objective 2, sub-programme 2.1 the mainstreaming of basic service delivery to informal settlements and backyard dwellings programme. The IDP clearly distinguishes between backyarder residents on public and private properties and how the City is attempting to guide service provision to the two backyarder categories.

Going forward, the City will endeavour to develop a formal policy response to backyarders as guided by the IDP and outline how service provision will particularly target backyarders living in Council rental stock.

4.1.6.4 Human Settlements Communications and Customer Service

The Human Settlements Communication and Customer Service Department has drafted a Communication Strategy with the aim of implementing it in the period 2020/21 – 2022/23. This strategy will seek to educate and inform human settlement stakeholders on the challenges the directorate is facing and showcasing how the directorate is attempting to address these challenges by establishing a service delivery model and communication strategy that aims to:

- manage the image of the Human Settlements Directorate and build positive awareness.
- benchmark a communications plan with the business strategy to identify areas that need improvement.
- build relationships with key stakeholders (national and local government) and the media.
- increase media prominence.
- promote advocacy and awareness.
- provide continuous updates on housing opportunities, rental stock and how to access these services/units.
- educate and empower tenants and beneficiaries on housing-related services and incentives available to them.
- strengthen community facilitation – especially in areas that projects are being earmarked for.
- improve accessibility of housing services to tenants and stakeholders via mobile housing services (promotion, education and awareness team).

In order to achieve the above objectives, it is important to evaluate the effectiveness of the current service delivery model and evaluate the current communication mechanisms of the business. The Communications unit is therefore working towards improving communications and stakeholder relations for the department and for this reason the Communication Strategy will focus on the following target audience:

- Staff
- Subcouncil meetings
- General ward committees
- Religious groups
- Stakeholders
- Community structures
- Media
- Housing committees
- General public
- Visitors
- Schools
- Subcouncil chairs

- Prospective beneficiaries
- City tenants in public rental housing

4.1.7 Short-term interventions by the Western Cape Government (2020/21 –2024/25)

The WCG Department of Human Settlements is a key partner of the City in attempting to address the housing need of the City's residents. The City, being a metropolitan municipality, receives the USDG directly from the National Department of Human Settlements for the installation of bulk services associated with housing projects. As such, the WCG department applies to the City for USDG funding for bulk infrastructure to enable the development of their planned housing projects. Through this intergovernmental relationship, approximately 36 663 new housing opportunities are planned across a range of housing typologies for the period 2020/21 – 2025/26. The table below illustrates the provincial planned projects for the short term, its location and the estimated number of housing opportunities each housing project is envisaged to deliver.

Table 42: Provincial housing projects for the period 2020/21 – 2025/26

Description	Location	Housing programme	Project status/stage	Estimated number of housing opportunities
COVID-19: Informal settlement upgrade: Du Noon	Milnerton/ Du Noon	Informal Settlement Upgrade	Construction	1 500
Sheffield Road Housing Project 200 units	Philippi	Greenfields/IRDP	Planning and design	200
Conradie Housing Development	Pinelands	Greenfields/IRDP	Construction	1 817
Penhill Housing Project	Eerste River	Greenfields/IRDP	Construction	8 000
Forest Village Housing Project	Blue Downs/ Eerste River	Greenfields/IRDP	Construction	4 820
Belhar CBD Housing Development	Belhar	Greenfields/IRDP	Construction	2 009
Khayelitsha Housing Development: Erf 26943 Infrastructure project	Khayelitsha	Informal Settlement Upgrade	Construction	221
Itemba Labs Housing Project	Eerste River	Greenfields/IRDP	Planning and Design	2 400
New Woodlands Housing Project (linked to Kosovo)	Philippi/ Mitchells Plain	Greenfields/IRDP	Construction	434
Informal settlement upgrade: Kosovo	Philippi	Informal Settlement Upgrade	Construction	6 000
Gugulethu – Airport Precinct Land Rehabilitation	Gugulethu	Informal Settlement Upgrade	Scoping	8 500
Informal settlement upgrade: Airport Infills, Gugulethu	Gugulethu	Informal Settlement Upgrade	Construction	729
New Rest (included in Airport Infills Project)	Gugulethu	Informal Settlement Upgrade	Construction	33
Total				**36 663**

5.   Financial model

Grant funding

The financial model is mainly composed of conditional grants from the national and provincial governments to the City, which are the main source of funding of human settlements development. These grants include the USDG, the HSDG and the Upgrading of Informal Settlements Grant (UISP) aimed at addressing the housing backlog and the housing affordability challenges in South Africa. Notably, these grants are mainly focused on the supply side of human settlements development whereby houses are provided to low-income households as part of a comprehensive subsidised programme in which government is the delivery agent. However, grant funding allocations fluctuate year on year and are difficult to plan for over the medium and long term. Even the short term is unpredictable, as it is dependent on the state of the country's economy and priorities. COVID-19 will impact the allocations in the short term, with reductions anticipated.

Types of grants

- **Human Settlements Development Grant (HSDG)**

The HSDG represents the residual allocation from the appropriation in terms of the Division of Revenue Act (DORA). It funds the construction of top structures in the City's various housing developments.

- **Urban Settlements Development Grant (USDG)**

As part of its efforts to ensure an appropriate delivery pipeline and flexible funding regimes, the national Department of Human Settlements added to its various housing funding programmes by launching the USDG, which is a metropolitan funding framework developed in partnership with National Treasury.

The USDG comprises the old infrastructure component of the existing housing subsidy, plus the former Municipal Infrastructure Grant to the City, as well as an additional national fund allocation. It represents a fundamental shift in the total integrated housing funding instrument package and may be utilised, inter alia, for land acquisition, bulk infrastructure provision, informal settlement upgrades, reticulation services for integrated housing developments as well as project packaging.

Housing project services are assessed based on the key national housing programmes (such as the IRDP and UISP) and top structures are funded by the HSDG. Application of this grant ensures improved human settlement development planning and coordination across the City, as the USDG serves to:
- firmly establish the City's key roles and responsibilities;
- provide revised bulk infrastructure funding programmes and mechanisms;
- provide flexible infrastructure funding, comprising all infrastructure needs; and
- provide project funding based on project cost and not a fixed quantum.

- **Informal Settlements Upgrading Partnership Grant (ISUPG)**

As part of government's efforts to renew its commitment to the upgrade of informal settlements, it added to its various housing funding programmes by launching the ISUPG in the 2019/20 financial year. The ISUPG was a component of the USDG until the 2021/22 financial year, during which its own funding framework was developed and gazetted.

The purpose of the ISUPG is to provide funding to facilitate a strategic, inclusive and municipality-wide approach to upgrading informal settlements. The grant will fund the outputs defined in Phases 1 – 3 of the UISP in the National Housing Code of 2009:
- Phase 1 – motivating and applying for UISP funding
- Phase 2 – the provision of basic services, provision of interim and/or permanent municipal engineering services, conducting the necessary geotechnical and environmental studies, socio-economic surveys and the acquisition of land; and
- Phase 3 – the creation of registered 'townships', the formalisation of title deeds and the provision of internal services to individual plots.

The ISUPG comprises the old infrastructure component of the existing housing subsidy, plus the former Municipal Infrastructure Grant to the City, as well as an additional national fund allocation. It represents a fundamental shift in the total integrated housing funding instrument package and may be utilised, inter alia, for land acquisition, bulk infrastructure provision, informal settlement upgrades, reticulation services for integrated housing developments as well as project packaging.

The task of managing the USDG and ISUPG is performed by the City's Grant Funding Department who is also responsible to approve project funding applications and ensure integrated development in line with grant conditions.

The ISUPG grant provides for 5% Operational Capital Programme (OPSCAP) for the capacitation of the municipality to deliver on the UISP programme. The Human Settlements Directorate is utilising this to create approximately 47 contract positions (of which seven are already filled) in terms of technical project management and support staff to drive the informal settlements upgrading programmes (R27,5m approved in 2022/23).

Revenue

- **Grant funding**

The total grant funding that the City has for the development of human settlements is shown in Table 43 below. The latest approved total budget for the Human Settlements Directorate for the 2022/23 financial year is R1 118 830 146 which is made up of a capital budget of R741 970 099 and an operating budget of R376 860 047 as shown in Tables 44 and 45 respectively. [18] It should be noted that grant funding allocations fluctuate year on year and are difficult to plan for over the medium and long term. Even the short term is unpredictable, as it is dependent on the state of the country's economy and priorities. COVID-19 impacted the allocations in the short term, with reductions experienced.

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[18] This budget will be subject to change in line with the latest Council approved budget for 2023/24 financial year.

Table 43: MTREF total grant funding allocation for Human Settlements Directorate

Funding Source	Department	Actuals	Approved			Planned	
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
USDG	Housing Development	312 494 848	327 219 031	285 972 631	363 473 590	395 685 524	288 219 684
	Human Settlements Planning	107 870 868	82 529 291	22 005 871	26 744 410	60 000 000	-
	Informal Settlements	27 845 492	19 000 000	19 000 000	19 000 000	49 000 000	-
	Total	**448 211 209**	**428 748 322**	**326 978 502**	**409 218 000**	**504 685 524**	**288 219 684**
ISUPG	Housing Development	26 689 793	38 657 661	67 667 434	43 503 800	16 405 000	-
	Informal Settlements	332 611 036	331 294 163	336 033 840	384 448 200	422 466 181	353 470 465
	Total	**359 300 829**	**369 951 824**	**403 701 274**	**427 952 000**	**438 871 181**	**353 470 465**
HSDG	Housing Development	270 236 506	288 630 000	188 984 999	275 072 031	274 972 031	274 972 031
	Informal Settlements	12 343 521	31 500 000	13 500 000	1 500 000	-	-
	Total	**282 580 027**	**320 130 000**	**202 484 999**	**276 572 031**	**274 972 031**	**274 972 031**
Total Grant Funding		**1 090 092 065**	**1 118 830 146**	**933 164 775**	**1 113 742 031**	**1 218 528 736**	**916 662 180**

Table 44: MTREF capital grant funding allocation for Human Settlements Directorate

Funding Source	Department	Actuals	Approved			Planned	
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
USDG	Housing Development	298 647 277	307 939 584	240 729 212	317 218 000	374 429 934	266 964 094
	Human Settlements Planning	107 870 868	82 529 291	22 005 871	26 744 410	60 000 000	-
	Informal Settlements	22 809 354	19 000 000	19 000 000	19 000 000	49 000 000	-
	Total	**429 327 499**	**409 468 875**	**281 735 083**	**362 962 410**	**483 429 934**	**266 964 094**
ISUPG	Housing Development	26 689 793	38 657 661	67 667 434	43 503 800	16 405 000	-
	Informal Settlements	326 368 096	293 843 563	307 373 340	354 500 600	392 518 581	323 522 865
	Total	**353 057 889**	**332 501 224**	**375 040 774**	**398 004 400**	**408 923 581**	**323 522 865**
HSDG	Housing Development	-	-	150 000	100 000	-	-
	Total	**-**	**-**	**150 000**	**100 000**	**-**	**-**
Total Capital Grant Funding		**782 385 388**	**741 970 099**	**656 925 857**	**761 066 810**	**892 353 515**	**590 486 959**

Table 45: MTREF operating grant funding allocation for Human Settlements Directorate

Funding Source	Department	Actuals	Approved			Planned	
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
USDG	Housing Development	13 847 571	19 279 447	45 243 419	46 255 590	21 255 590	21 255 590
	Informal Settlements	5 036 138	-	-	-	-	-
	Total	**18 883 709**	**19 279 447**	**45 243 419**	**46 255 590**	**21 255 590**	**21 255 590**
ISUPG	Informal Settlements	6 242 940	37 450 600	28 660 500	29 947 600	29 947 600	29 947 600
	Total	**6 242 940**	**37 450 600**	**28 660 500**	**29 947 600**	**29 947 600**	**29 947 600**
HSDG	Housing Development	270 236 506	288 630 000	188 834 999	274 972 031	274 972 031	274 972 031
	Informal Settlements	12 343 521	31 500 000	13 500 000	1 500 000	-	-
	Total	**282 580 027**	**320 130 000**	**202 334 999**	**276 472 031**	**274 972 031**	**274 972 031**
Total Operating Grant Funding		**307 706 677**	**376 860 047**	**276 238 918**	**352 675 221**	**326 175 221**	**326 175 221**

6.   CONCLUSION

The Integrated Human Settlements Sector Plan provides a roadmap for implementing interventions aimed at resolving human settlement challenges within the City. This has been achieved through undertaking a detailed *status quo* analysis and the identification of strategic challenges in relation to the human settlements sector. This was followed by the formulation of a strategic response comprising strategic objectives and interventions. Consequently, a pipeline of projects with budgets, timeframes, housing typologies and quantities has been developed to

address the housing needs within the City. This Sector Plan therefore is seen as a key informant to the City's IDP.

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