



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

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

## 2024/25 Review

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

Approved by Council on 27 March 2024

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## ABBREVIATIONS

BNG	Breaking New Ground
CCT	City of Cape Town
CRU	community residential unit
DSDf	District Spatial Development Framework
EPHP	Enhanced Peoples' Housing Process
FHF	First Home Finance
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
MSP	Managed Settlements Programme
MTREF	Medium-Term Revenue and Expenditure Framework
PHP	People's Housing Process
PHSHDAs	priority human settlements and housing development areas
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 depending 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.

**“Breaking New Ground (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 that 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 – in particular within the five-year IDP cycle. 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 contribution of Human Settlements 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”.

The NDoHS formulated the Housing Amendment Act, Act 4 of 2001 in addition 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. The national Department of Human Settlements has embarked on the overall review of its policy framework, which will result in the development of a Human Settlements Code. Future

iterations for this Sector Plan will be informed by the Human Settlements Code once it is finalised and promulgated.

### **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. National Medium-Term Strategic Framework (MTSF), 2019 – 2024**

The National Human Settlements 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:
  - programmes for rental
  - programmes for ownership together with tenure consolidation
  - programmes to enhance access to affordable housing finance
  - 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:

Policy lever	Description
<b>LEVER ONE</b> 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.
<b>LEVER TWO</b> 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.
<b>LEVER THREE</b> 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.
<b>LEVER FOUR</b> 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.
<b>LEVER FIVE</b> 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.
<b>LEVER SIX</b> 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.
<b>LEVER SEVEN</b> 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.
<b>LEVER EIGHT</b> Effective urban governance	Cities and towns that have the necessary institutional, fiscal and planning capabilities to build inclusive, resilient and liveable urban spaces.
<b>LEVER NINE</b> 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.

**Table 1: Integrated Urban Development Framework policy levers**

### **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'**. Notwithstanding the importance of SDG 11, there are a number of other SDGs that are also relevant for the realisation of integrated sustainable human settlements including:

SDG 1: No Poverty

SDG 3: Good health and wellbeing

SDG 6: Clean water and sanitation

SDG 9: Industry, innovation and infrastructure

SDG 15: Life and land

'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 WCG's 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 therefore 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**

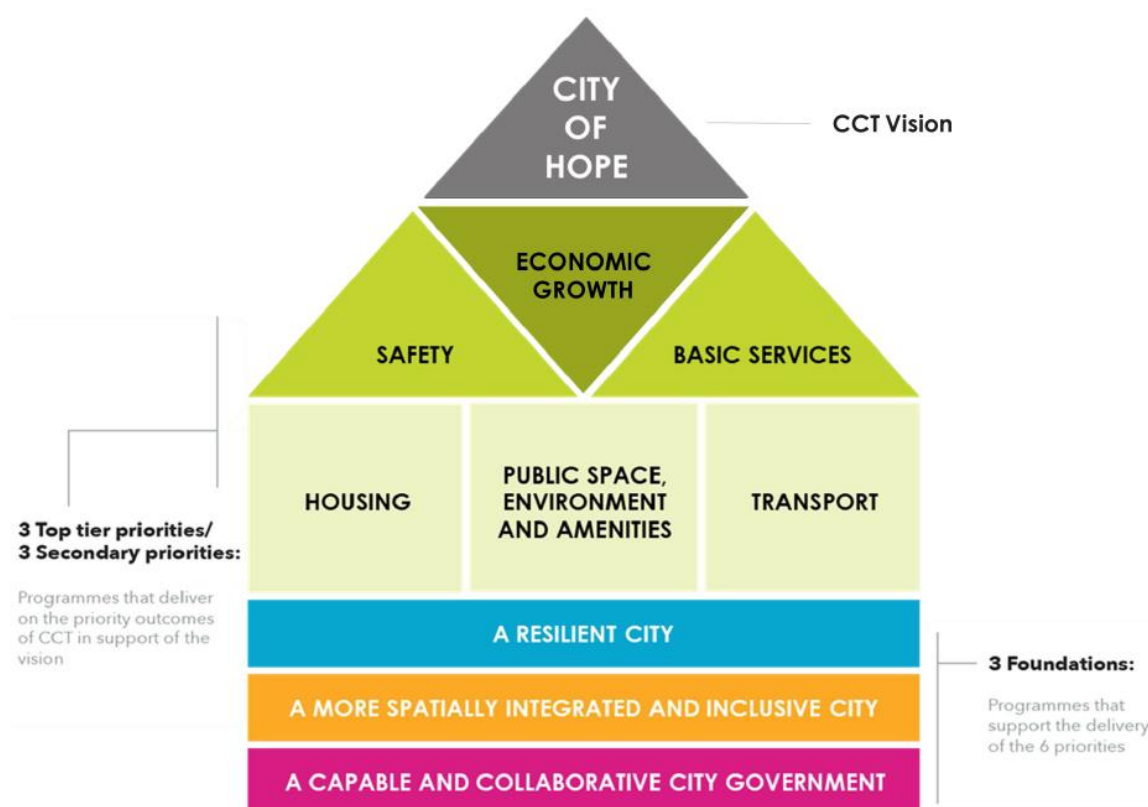
### **1.5.1. Integrated Development Plan (IDP)**

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 include, 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.



**Figure 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 figure 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.

<b>HOUSING</b>	
<b>Let's empower the private sector to increase the supply of affordable housing across the formal and informal markets</b>	
<b>Commitments</b>	<b>Programmes and projects/initiatives</b>
<b>OBJECTIVE 7: Increased supply of affordable, well-located homes</b>	
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.	<b>Partnership for affordable housing programme</b> <ul style="list-style-type: none"> <li>• Land and building release initiative</li> <li>• Social housing incentives initiative</li> <li>• Advocacy initiative</li> <li>• Inclusionary housing initiative</li> <li>• Finance-linked individual subsidy programme</li> </ul>
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.	<b>Tenure security programme</b> <ul style="list-style-type: none"> <li>• Subsidised housing tenure initiative</li> <li>• Public housing ownership transfer initiative</li> <li>• Informal settlements tenure reform initiative</li> </ul>
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.	<b>Integrated residential development programme</b> <ul style="list-style-type: none"> <li>• Scaling up serviced sites initiative</li> <li>• Breaking New Ground programme</li> <li>• Enhanced People's Housing Process</li> </ul>
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.	<b>Public rental housing programme</b> <ul style="list-style-type: none"> <li>• Maintenance of public rental stock initiative</li> <li>• Tenancy management project</li> <li>• Safety and stabilisation initiative</li> </ul>
<b>OBJECTIVE 8: Safer, better-quality homes in informal settlements and backyards over time</b>	
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.	<b>Micro-developer and additional dwelling improvement programme</b> <ul style="list-style-type: none"> <li>• Regulatory reform initiative</li> <li>• Local planning support initiative</li> </ul>
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.	<b>Informal settlements upgrading programme</b> <ul style="list-style-type: none"> <li>• Informal settlements upgrading initiative</li> <li>• Informal settlements data improvement initiative</li> </ul>

Figure 2: IDP housing objectives and programme

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 the integrated District Spatial Development Framework and Environmental Management Framework (DSDF-EMF) were approved by Council on 26 January 2023. These frameworks have been amended to reflect and incorporate updates from recently approved City strategies, the new realities and considerations brought about by COVID-19, demographics and land use projections, implications of rapid urbanisation in land, housing and service delivery issues, public transport challenges (road and 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, Act 16 of 2013 (SPLUMA); the Land Use Planning Act, Act 3 of 2014 (LUPA); and the Cape Town Municipal Planning By-law, 2015 (MPBL). The DSDFs are reviewed in accordance with the MPBL, and the EMFs are prepared in accordance with the National Environmental Management Act (NEMA) Environmental Management Framework Regulations, 2010.

The MSDF is prepared as part of the City's five-year Integrated Development Plan (IDP) in accordance with the provisions of the Municipal Systems Act, Act 32 of 2000 (MSA). 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 support a future spatial form and structure of the city.

The integrated District Spatial Development Framework and Environmental Management Framework (DSDF-EMF) translates the MSDF vision and policy objectives into district and subdistrict level detail and gives greater expression to the strategies, proposals and transformation focus of the MSDF. By integrating the EMF with the DSDF (as was done in 2012, but updated and further integrated in 2023), a single integrated policy document for land use and environmental planning decision has been achieved. The integrated DSDF-EMF provides a 'one-stop-shop' set of guidelines for land use planning and environmental decision making, removing conflicts and duplications.

The strategic goals and proposals of the MSDF and DSDF-EMF are guided by the vision set out 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-EMF, 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.



Figure 3: MSDF 2023 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 2023 – 2028 was approved by Council on 25 May 2023 to ensure alignment 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 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.

#### **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:

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

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

### **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 and nature-based solutions (NbS) for infrastructure, etc. 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 objectives 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.

<b>National government</b>	National Department of Human Settlements, Water and Sanitation National Treasury National Department of Public Works National Housing Finance Corporation
<b>Provincial government</b>	Western Cape Department of Infrastructure Western Cape Department of Environmental Affairs and Development Planning Western Cape Department of Social Development Western Cape Education Department
<b>Regulators</b>	Social Housing Regulatory Authority National Home Builders Registration Council
<b>State-owned enterprises</b>	PRASA Transnet Housing Development Agency

**Table 3: Intergovernmental stakeholders**

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.

<b>Professional associations</b>	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
<b>Civil society</b>	NGOs CBOs Academia Targeted communities for project-related engagement

**Table 4: Private and civil society stakeholders**

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.

<b>City of Cape Town line directorates and departments</b>	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
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**Table 5: Internal stakeholders**

## 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 that are unable to afford ownership options.
- A post-COVID-19 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 is likely to 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 main dwelling – 26,5%, informal additional dwelling – 19,7%, and multi-residential informal boarding houses – 6,8%).
- Unlawful occupation of land is likely to continue 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***

Nationwide, more than two-thirds of those living in South Africa reside in urban areas. The South African population is expected to increase by an additional 19 to 24 million people by 2050, most of whom will reside in urban towns and cities. In the Western Cape, 72% of the population growth will occur in city regions, including Cape Town. 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.<sup>1</sup>

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<sup>2</sup> 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.

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

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<sup>1</sup> State of Cape Town Report, 2022

<sup>2</sup> 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.

managed, urbanisation can offer opportunities for growth, social inclusion, 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 4 772 846, which amounted to an estimated 1 452 845 households.

Issue	Number
Population estimate (2022)	4 772 846
Households estimate (2022)	1 452 845
Household size (2016)	3,3

**Table 6: Cape Town population figures**

*Source: Stats SA 2022 Census*

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 (17,9% on average over 2019 to 2022)<sup>3</sup> of households in Cape Town reporting that they reside in informal dwellings<sup>4</sup>.

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%
<b>Total</b>	<b>1 264 849</b>	<b>100%</b>

**Table 7: Cape Town dwelling type statistics**

*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.

<sup>3</sup> 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.

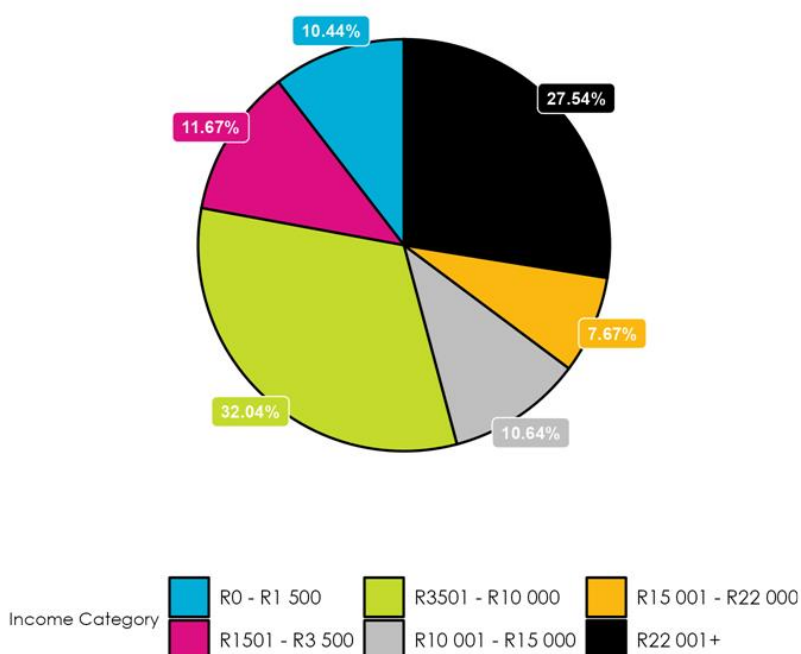
<sup>4</sup> More information is expected to be available during 2023 after the Census 2022.

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%
<b>Total</b>	<b>590 196</b>	<b>100%</b>

**Table 8: Cape Town tenure status 2016**  
Source: Stats SA Community Survey 2016

### 2.2.3. Household income and housing opportunities

Using the average of 2019 and 2022 GHS data, an estimated 22% 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 18% a monthly income between R10 001 and R22 000<sup>5</sup>. This IHSSP will focus on the income brackets of R22 000 and below (estimated at 72% of households in Cape Town) in the strategic response to human settlements challenges. (Refer to figure 4 below.)



**Figure 4: Distribution of Cape Town monthly household income in rands (average 2019 to 2022)**

<sup>5</sup>The income data take both 2019, 2020 and 2021 into consideration, meaning the COVID-19 pandemic is to some degree taken into consideration. More data are needed to understand the full impact. Unknown incomes were removed from the analysis.

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.

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.

Amount (2016)	Tygerberg	Blaauwberg	Northern	Khayelitsha Mitchells Plain	Heiderberg	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	

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

*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.

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			10%
R3 501 – R10 000	GAP Market (FLISP subsidy)	Social Housing	32%
R10 001 – R15 000			10%
R15 001 – R22 000			8%
>R22 000	Private Sale	Private Rental	28%

**Table 10: Monthly household income (brackets and percentage average of 2019 and 2022 breakdown) and formal housing products by public and private sector**

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 22% 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 (32%) 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 First Home Finance Subsidy – formerly known as 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 Affordable Housing Policy, as well as the piloting of mixed-market models. Stimulating the state-subsidised 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 First Home Finance 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 Affordable 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 (28%) 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 (72%) 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.

<b>Metro</b>	<b>Entry market R0-R300 000</b>	<b>Affordable market R300 000-R600 000</b>	<b>Conventional market R600 000-R900 000</b>	<b>High-end market R900 000 – R1,2 million</b>	<b>Luxury market R1,2 million plus</b>
<b>City of Cape Town</b>	<b>16%</b> <b>(128 349)</b>	<b>18%</b> <b>(138 075)</b>	<b>13%</b> <b>(102 961)</b>	<b>10%</b> <b>(79 026)</b>	<b>43%</b> <b>(331 852)</b>
<b>City of Johannesburg</b>	13% (105 773)	25% (208 433)	20% (168 353)	11% (92 353)	30% (249 448)
<b>City of Tshwane</b>	24% (141 263)	20% (118 425)	16% (92 983)	11% (65 395)	28% (163 473)
<b>eThekweni</b>	18% (84 021)	25% (116 390)	21% (99 899)	13% (61 138)	22% (103 540)
<b>Ekurhuleni</b>	19% (113 411)	33% (202 368)	17% (104 524)	11% (68 472)	19% (113 104)
<b>Nelson Mandela Bay</b>	40% (97 354)	24% (57 661)	13% (31 384)	10% (23 207)	13% (31 281)
<b>Buffalo City</b>	30% (38 742)	32% (42 199)	13% (17 666)	9% (11 391)	16% (21 237)
<b>Mangaung</b>	57% (100 556)	14% (24 243)	11% (19 106)	6% (10 768)	12% (21 727)

**Table 11: Proportion and number of properties by market segment<sup>6</sup>, 2021<sup>7</sup>**

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.

<sup>6</sup> As defined by the Centre for Affordable Housing Finance in Africa

<sup>7</sup> 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/>

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 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<sup>8</sup>.

**The HSS projected a shortfall in the development of housing opportunities of between 22 970 and 27 980 every year between 2018 and 2028<sup>9</sup>,** 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 2023 in an attempt to respond to the ever-growing demand. The various housing interventions as displayed on the map are categorised as follows:

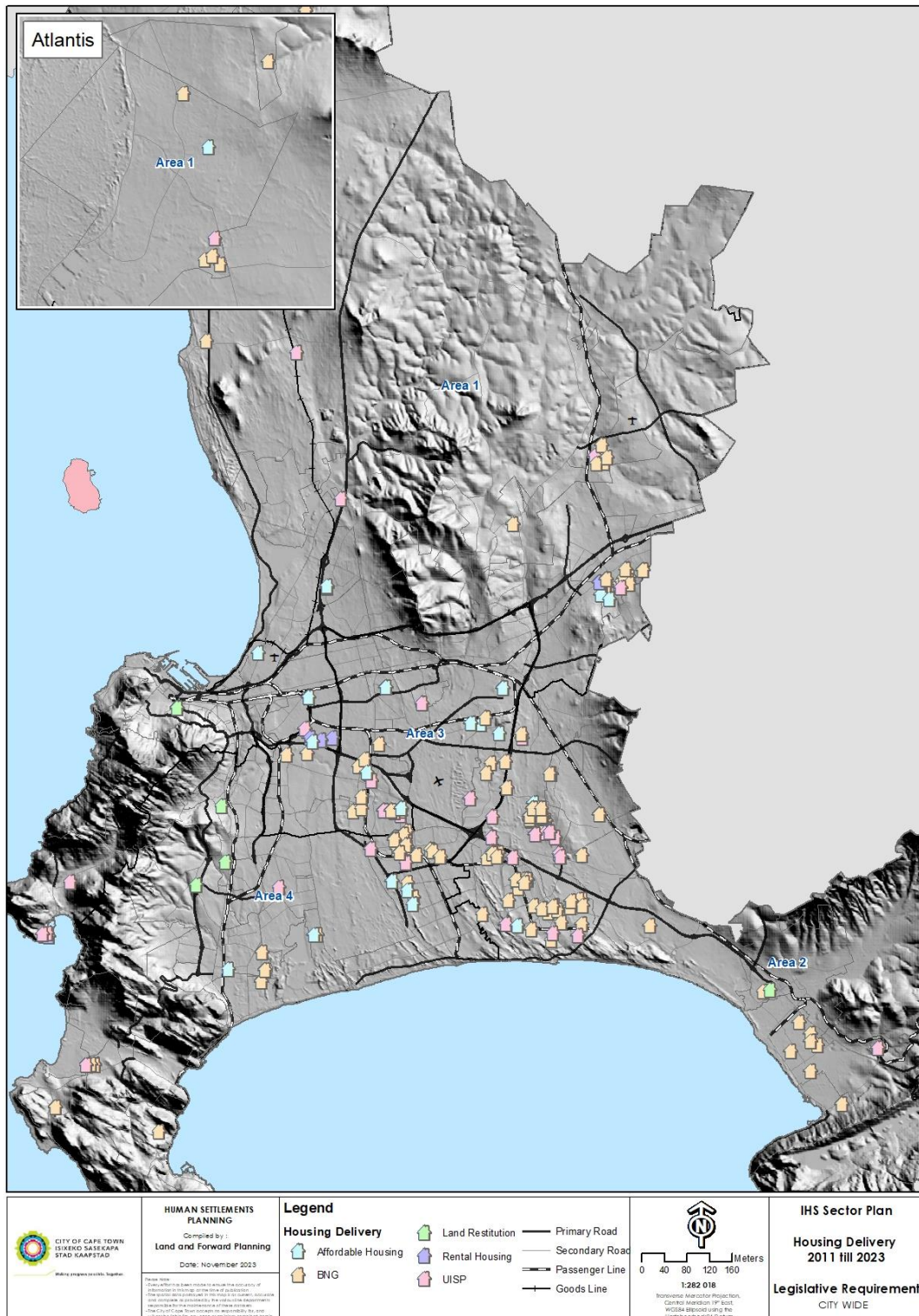
- BNG, which includes BNG, institutional and EPHP projects
- Public rental housing
- Affordable housing, which includes social housing and FLISP housing opportunities
- Land restitution projects
- UISP, which refers to the various upgrading of informal settlements initiatives including re-blocking and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

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<sup>8</sup> 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.

<sup>9</sup> City of Cape Town Human Settlements Strategy, 2021





**Map 1: Subsidised housing delivery by the City for the period 2011 to 2023**

### **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 Infrastructure sources potential beneficiaries of their BNG housing projects developed within the City from the Housing Needs Register.

As of October 2023, 387 327 applicants had registered their need for housing on the City's Housing Needs Register and were still awaiting housing opportunities – of these, 4 016 have a disability status and 22 775 are over the age of 60 years (applicant and/or spouse). 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.

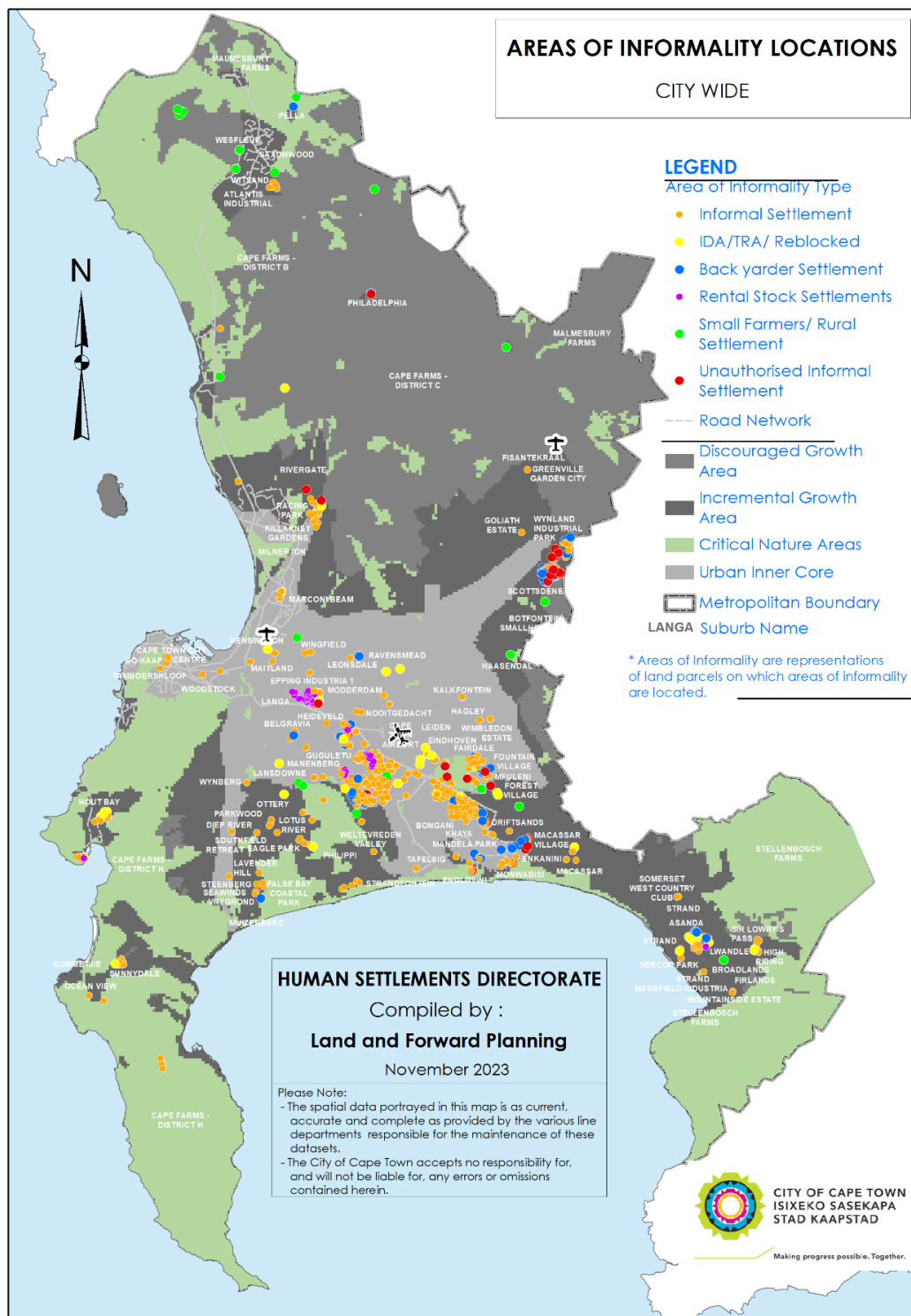
### **2.3.5. Informality trends**

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".

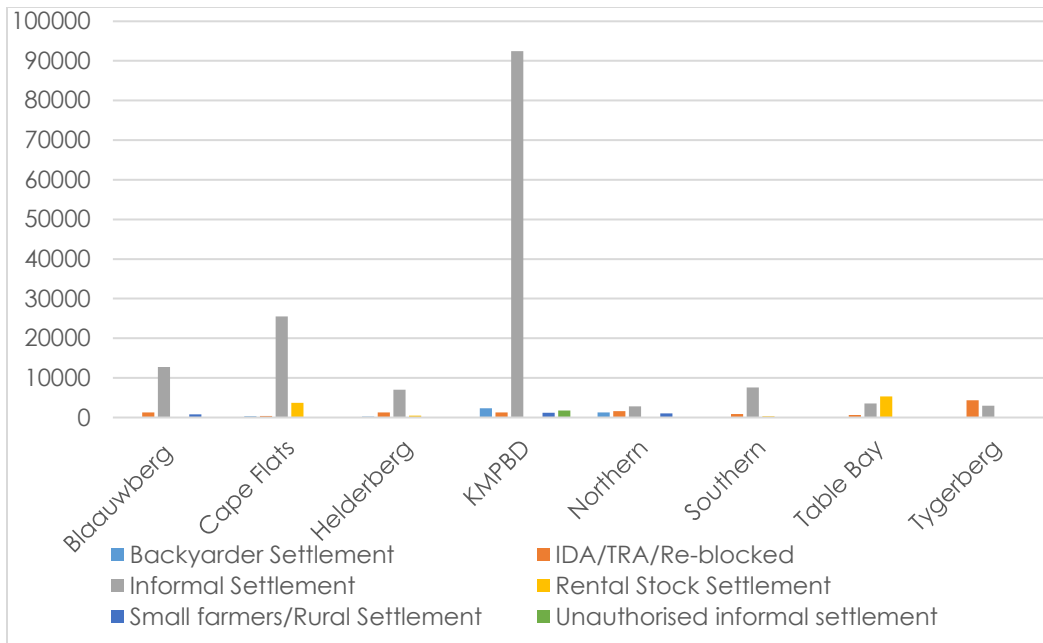
Informal settlements may contain a few dwellings or thousands of them, and are generally characterised by:

- 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.



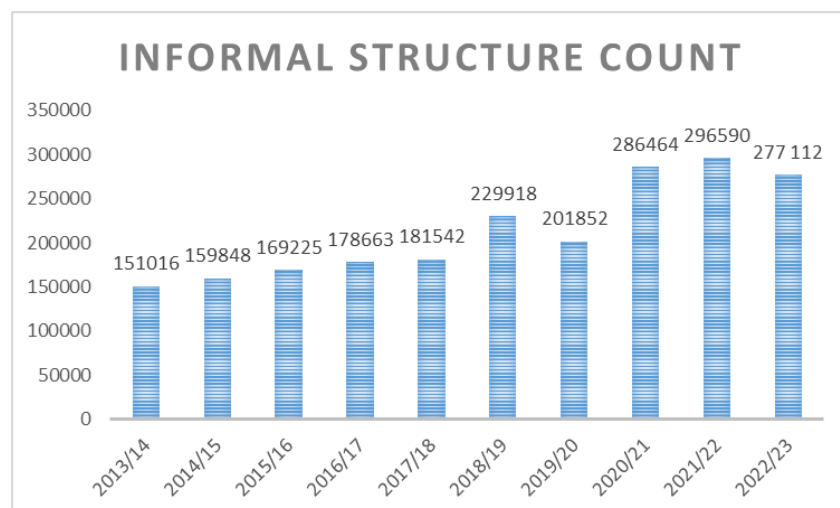
Map 2 : Location of areas of informality across the City of Cape Town



**Figure 5: Number of informal dwellings by Planning District 2018 (based on informal settlement door and roof counts)**

The figure 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 – 2022/23 which is as a result of the expansion of existing informal settlements as well as unlawful land occupation incidents. Despite the slight decrease in informal structures for the period 2022/23, the growth of informality remains high.



**Figure 6: Growth in number of informal structures for the period 2013/14 – 2022/23**

### **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 on 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.

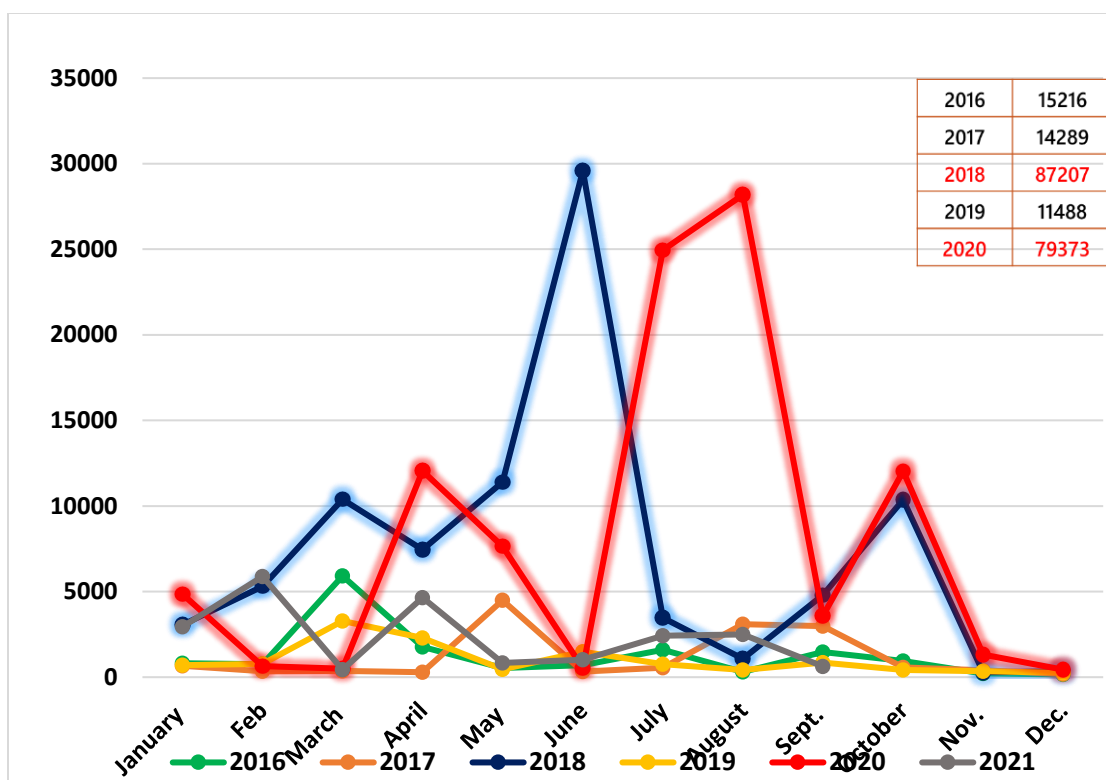


Figure 7: Unlawful land occupation trends, 2016 – 2020

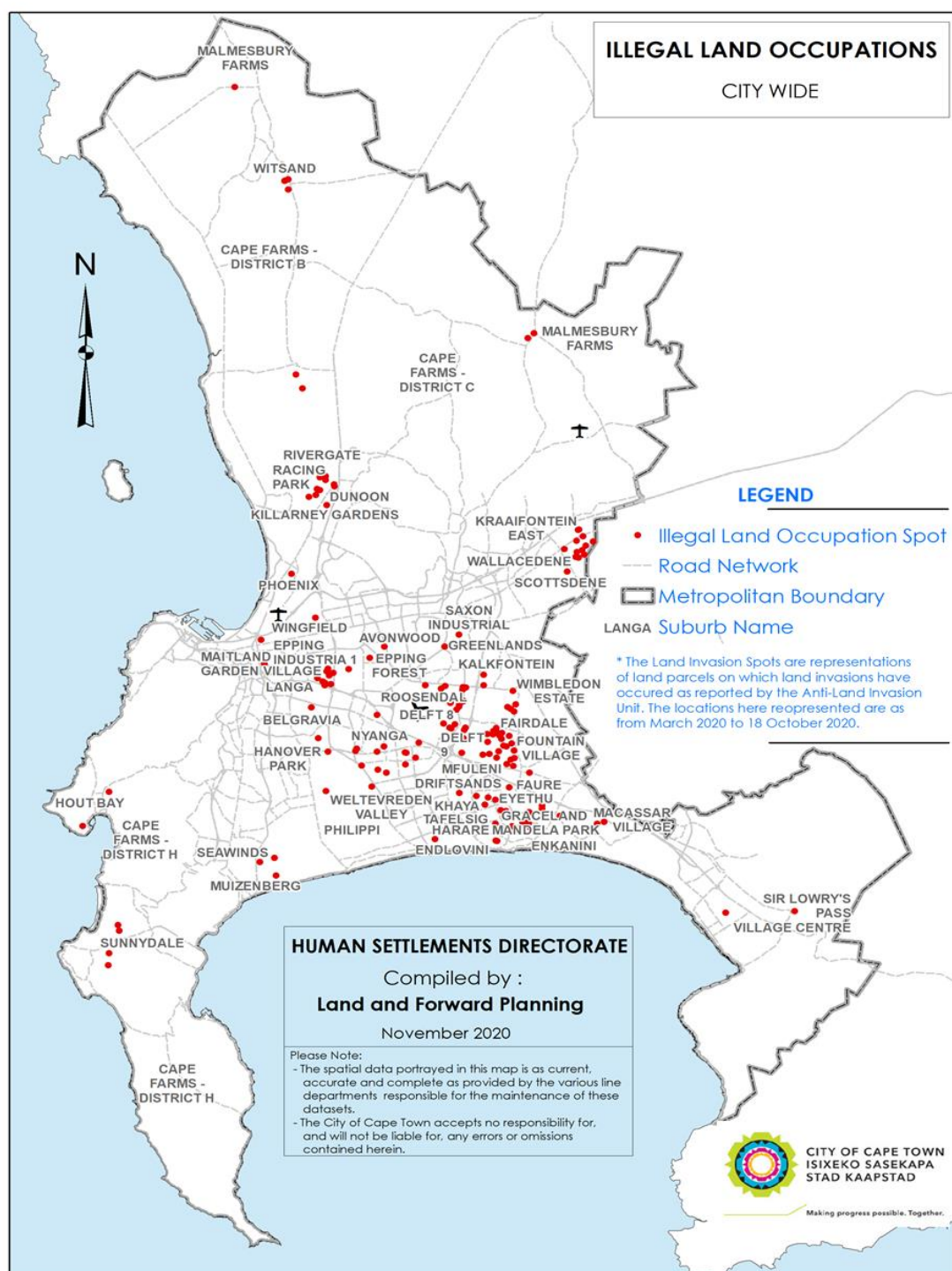
The table below highlights the hectares of land that have been unlawfully occupied – with comparisons between 2018 and 2020. By June 2020, there had already been more land lost to unlawful occupation than in 2018 – the previously highest year.

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%

Table12: Land occupied as at June 2020 by ownership

The four maps below depict the dramatic increase in land occupation from March 2020 to November 2023 which has a direct impact on planned human settlements projects and budget commitments .

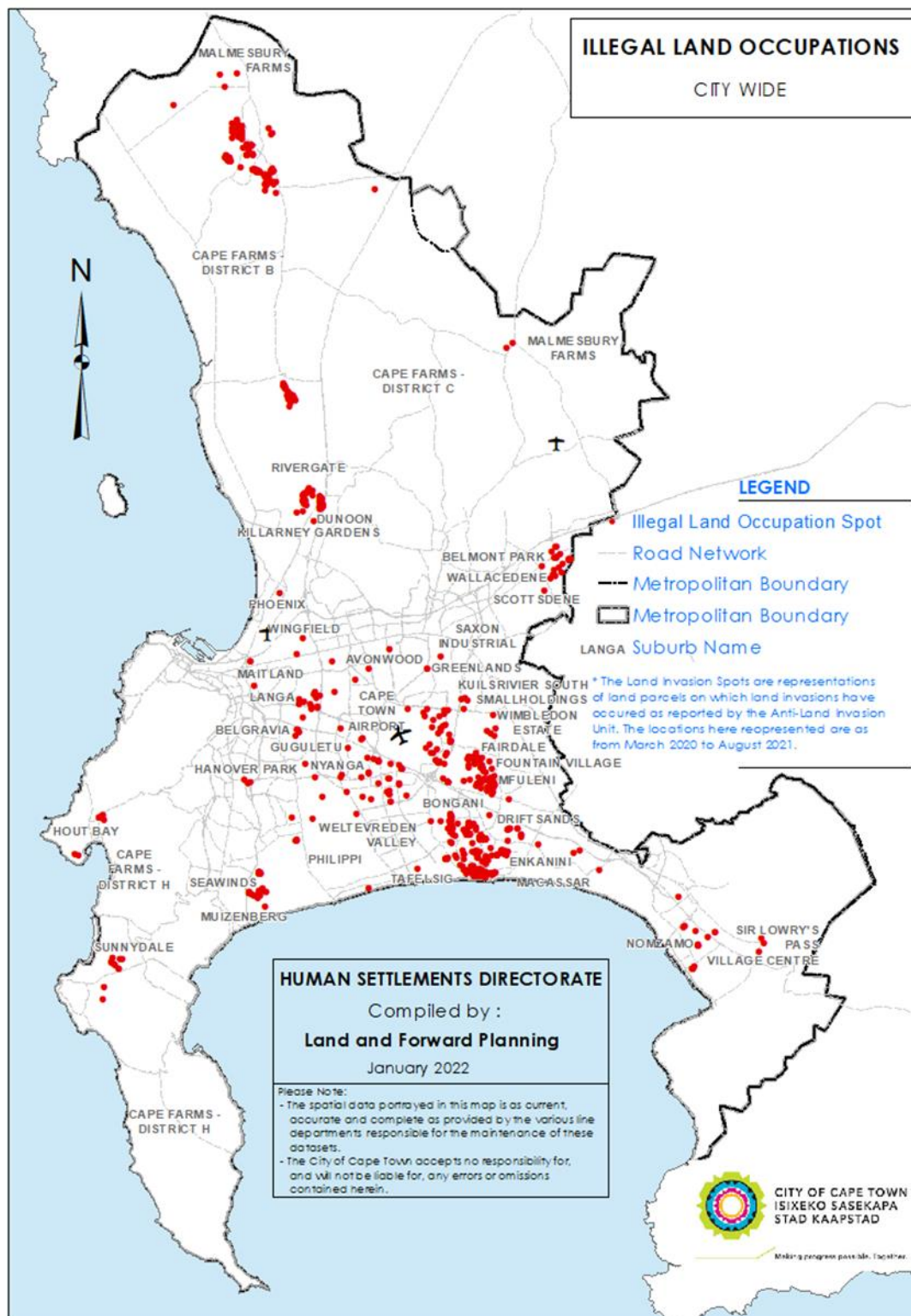




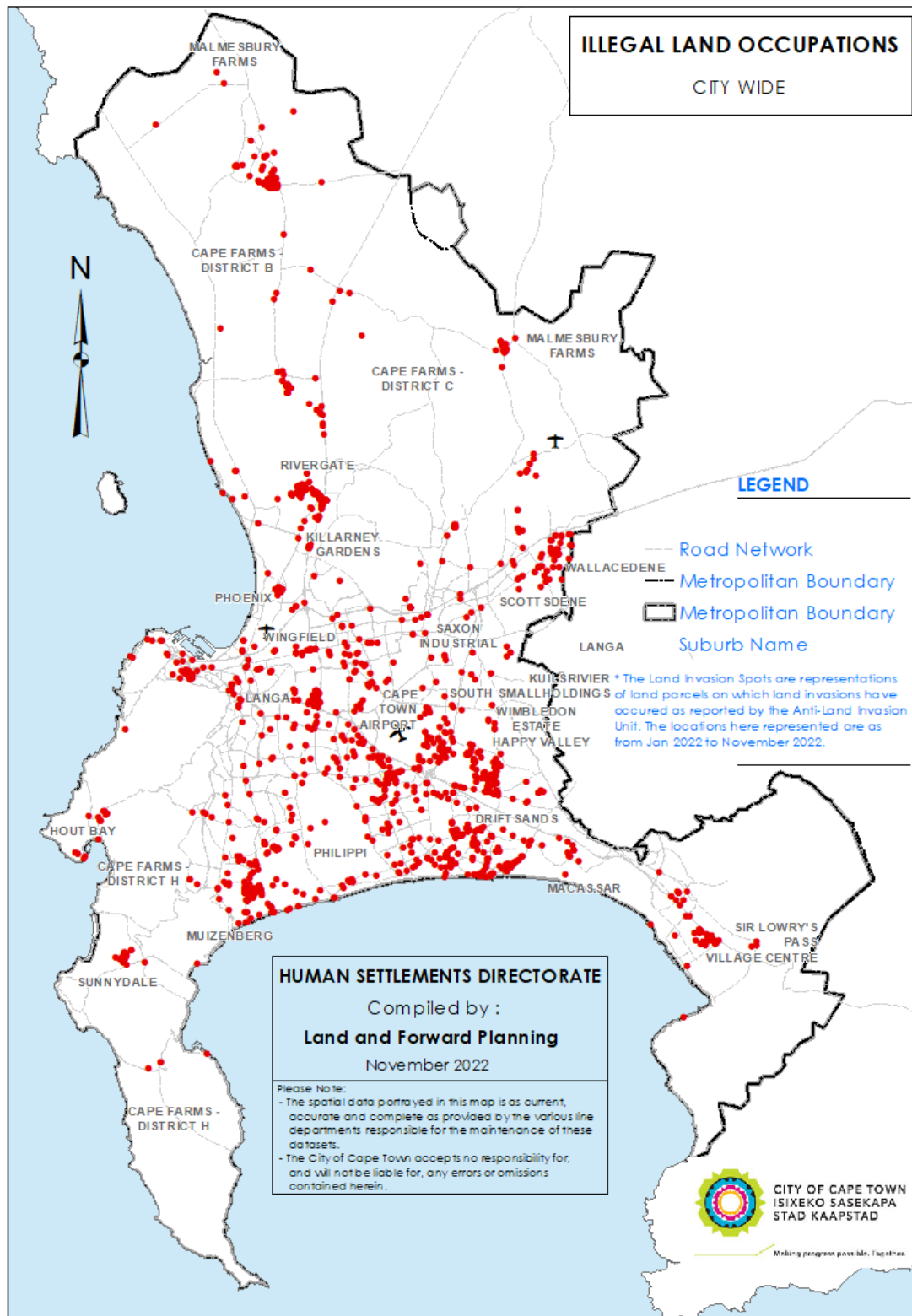
**Map 3: Land occupied for the period March 2020 – October 2020 (during COVID-19 lockdown)<sup>10</sup>**

<sup>10</sup> Map officially compiled in November 2020

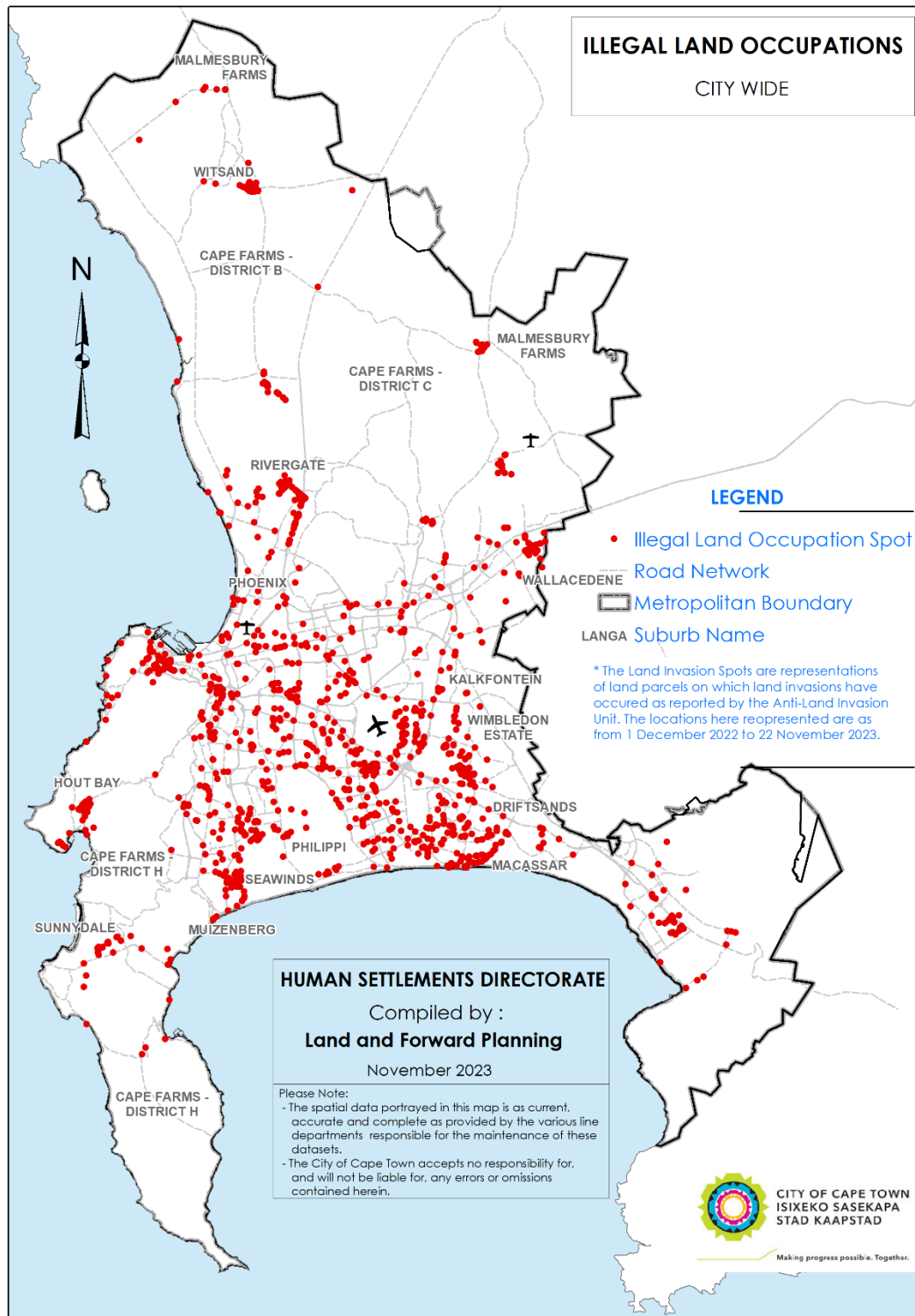




**Map 4: Land occupied for the period November 2020 – January 2022**



**Map 5: Land unlawfully occupied for the period January 2022 – November 2022.**

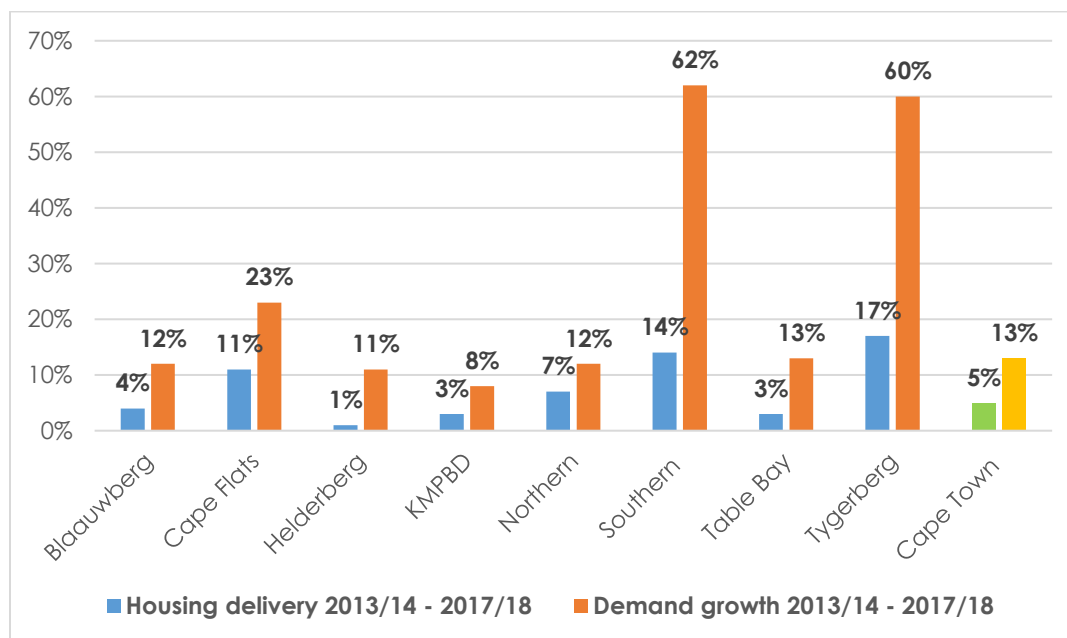


**Map 6: Land unlawfully occupied for the period November 2022 – November 2023**

### 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<sup>11</sup> 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.



**Figure 8: Average percentage change per annum in housing delivery compared to the Housing Needs Register, 2013/14 – 2017/18**

The figure 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 figure indicates that

<sup>11</sup> 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).

over and above the existing housing backlog, housing delivery grew by 5% per annum between 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 permanent 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 387 327 applicants registered on the City's Housing Needs Register awaiting a housing opportunity, 4 016 have a disability status and 22 775 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.

	Average growth rate (%)	Medium-term expenditure estimate			Average growth rate (%)
Key Programmes	2016/17 - 2019/20	2020/21	2021/22	2022/23	2019/20 - 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%

**Table 13: National grant funding allocations over time**

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 and this trend will most likely continue into the future. This will limit the City's ability to provide adequate state-subsidised housing opportunities and therefore greater partnership with the private sector is key.
- **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. A new Housing White Paper is currently being finalised, and will set the strategic vision for the sector. Following on from this, the National Housing Code will be reviewed, and new policy instruments will be developed. The finalisation and time 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 private 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.
- **Safety and security on construction sites:** An emerging trend that has befallen many state-led infrastructure and human settlements projects is the imminent threat of safety of staff and infrastructure due to the threat of intimidation, extortion, unlawful occupation and vandalism. This has resulted in a significant increase in security costs for construction sites and the viability of such projects is a concern as the housing subsidy grant does not adequately cover these additional costs. Many projects' tenders had to be cancelled or placed on hold due to ongoing safety risks.

### 3.3. SPATIAL CONSIDERATIONS

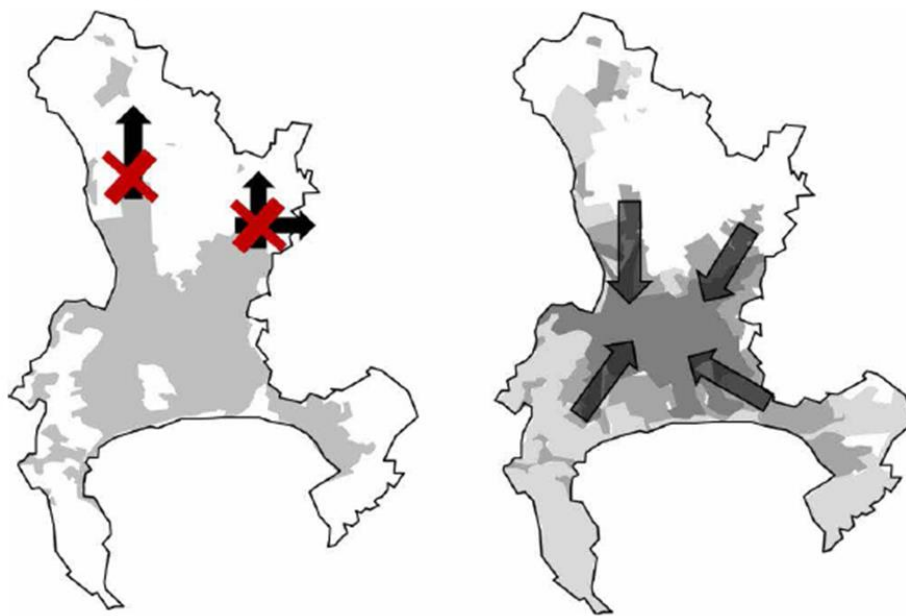
The location of human settlements needs to align with City and national policies, and is influenced by the location of housing need, areas with access to socio-economic opportunities, and land availability, amongst other factors. The following are key informants to achieve our spatial vision for human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

- **Municipal Spatial Development Framework, and Spatial Development and Environmental Management Frameworks**

The City's amended MSDF was approved by Council on 26 January 2023 and 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.

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	Include 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.

**Table 14: Spatial transformation areas**



**Figure 9: 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 PSHDAs 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 PSHDAs:

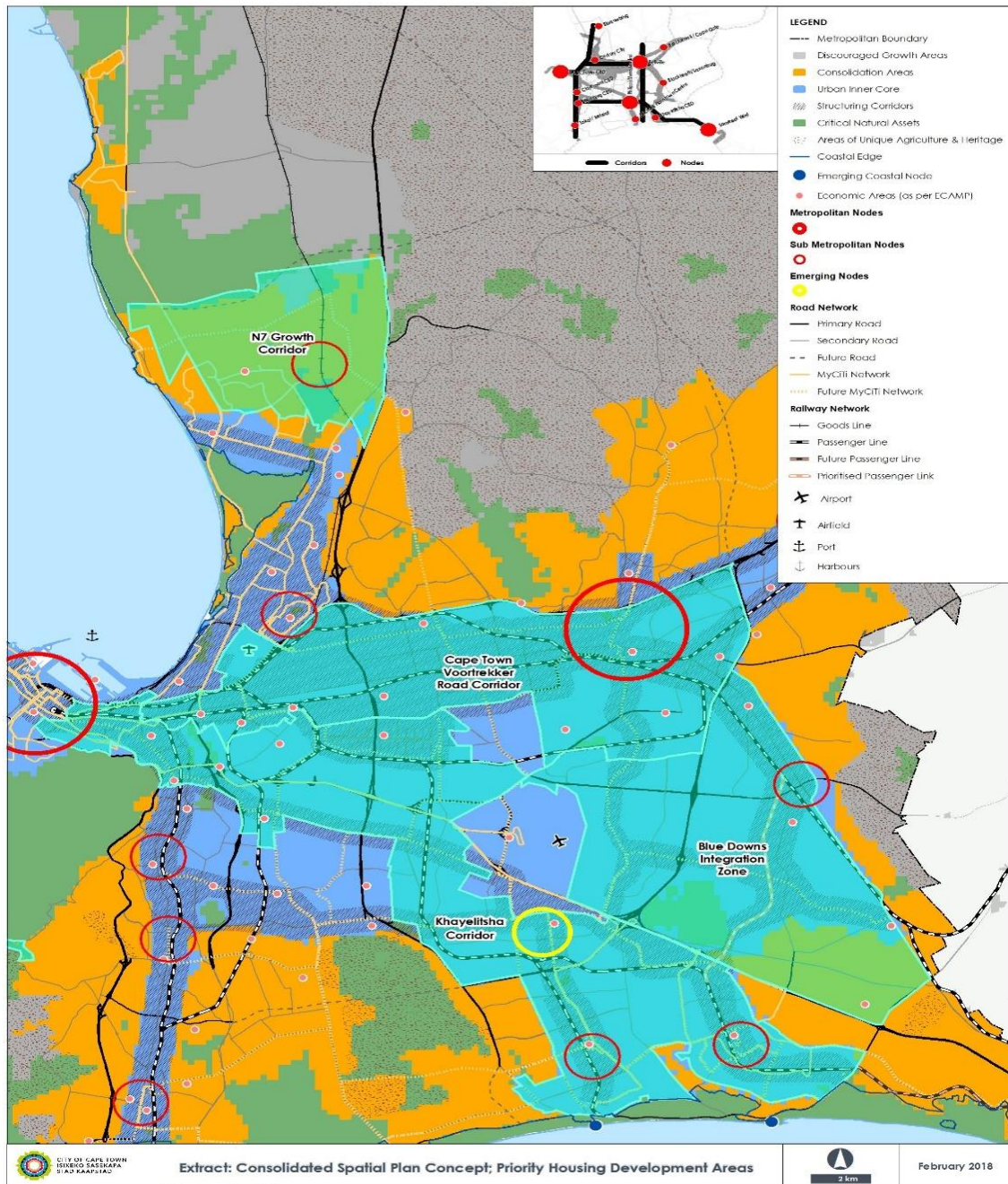
- The entire urban inner core (UIC) as identified in the MSDF should be declared as a PSHDA as the UIC is the primary focus for investment in the city aimed at spatial restructuring and integration;
- The PSHDAs should be aligned with the integration zones (IZs) as promoted by the National Treasury alignment of the PSHDAs 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 PSHDAs 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 PSHDAs were promulgated by the former national Minister of Human Settlements, Water and Sanitation on 15 May 2020. The objective of the PSHDAs is to promote settlements' spatial transformation and consolidation by ensuring that the delivery of housing is used to restructure and revitalise towns and cities, strengthening the livelihood prospects of households and overcoming apartheid spatial patterns by fostering integrated urban forms. The identification of PSHDAs 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 settlements.

The national Department of Human Settlements has identified and gazetted the following PSHDAs within the City of Cape Town: Atlantis, Blaauwberg Development Area (erf 1117, Blaauwberg), Blue Downs Integration Zone, Hout Bay, Voortrekker Road Corridor and Khayelitsha Corridor, as detailed in table 15 and shown in figure 10 below.

<b>Gazetted PSHDA</b>	<b>Main places</b>	<b>Wards</b>	<b>Comments</b>
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, Kleinvelei, 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 of 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.

**Table 15: Gazetted PSHDAs within the City of Cape Town**

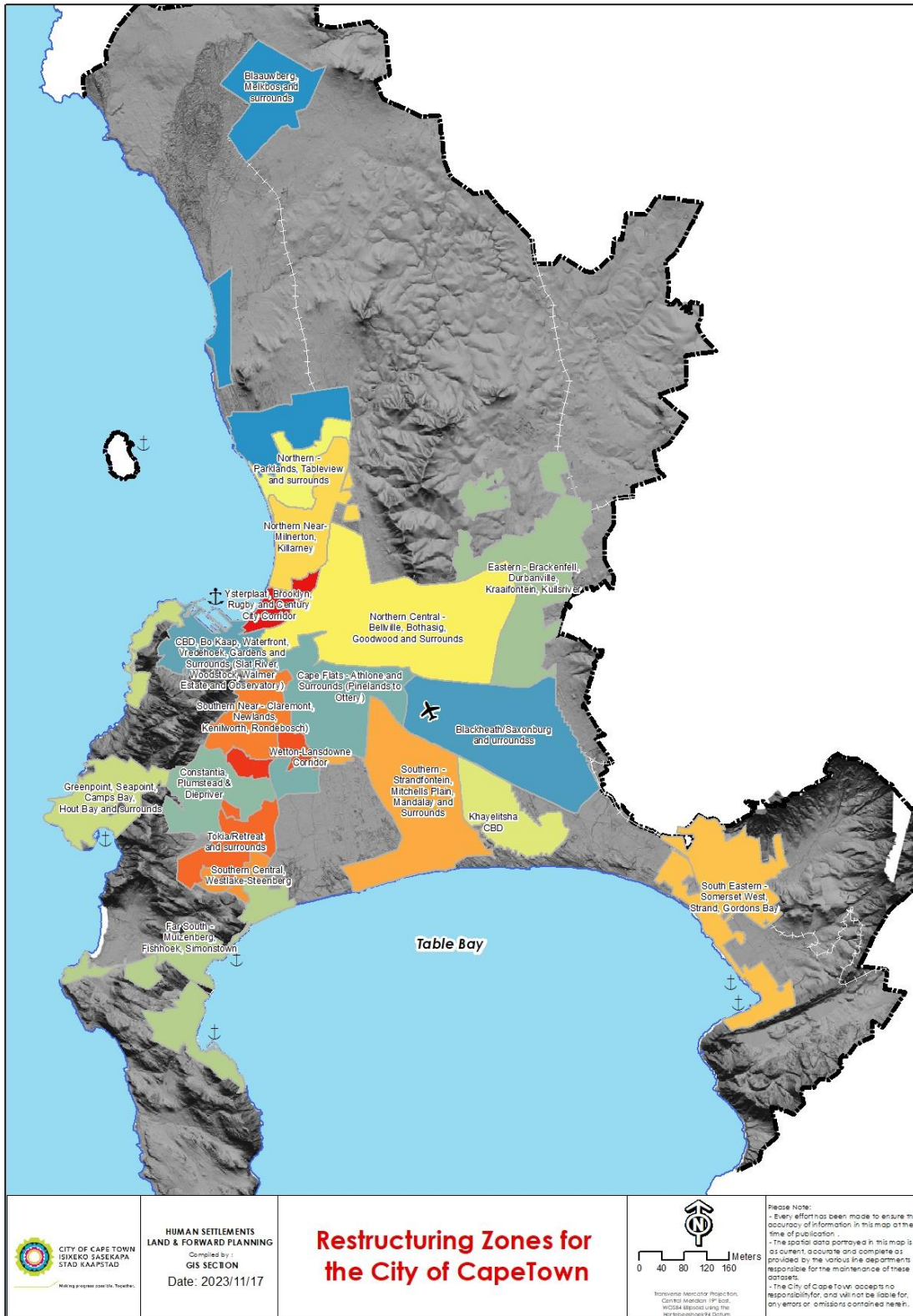


**Figure 10: Gazetted PSHSDAs within the City of Cape Town**

- 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 (SHRZs) – 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. The map below illustrates the gazetted restructuring zones within the City of Cape Town.





Map 7: Restructuring zones for the City of Cape Town

## Legend

### Spatial Areas





















 Blaauwberg, Melkbos and surrounds	 Northern Central - Bellville, Bothasig, Goodwood and Surrounds
 Blackheath/Saxonb... and urroundss	 Northern Near-Milnerton, Killarney
 CBD, Bo Kaap, Waterfront, Vredehoek, Gardens and Surrounds (Slat River, Woodstock, Walmer Estate and Observatory)	 South Eastern - Somerset West, Strand, Gordons Bay
 Cape Flats - Athlone and Surrounds (Pinelands to Ottery)	 Southern - Strandfontein, Mitchells Plain, Mandalay and Surrounds
 Constantia, Plumstead & Diep River	 Southern Central, Westlake-Steenberg
 Eastern - Brackenfell, Durbanville, Kraaifontein, Kuilsriver	 Southern Near - Claremont, Newlands, Kenilworth, Rondebosch)
 Far South - Muizenberg, Fishhoek, Simonstown	 Tokia/Retreat and surrounds
 Greenpoint, Seapoint, Camps Bay, Hout Bay and surrounds	 Wetton-Lansdowne Corridor
 Khayelitsha CBD	 Wynberg and Surrounds
 Northern - Parklands, Tableview and surrounds	 Ysterplaat, Brooklyn, Rugby and Century City Corridor

Figure 11: Restructuring zones map legend



## 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).

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
<b>TOTAL</b>			<b>7 844</b>	<b>55,9</b>

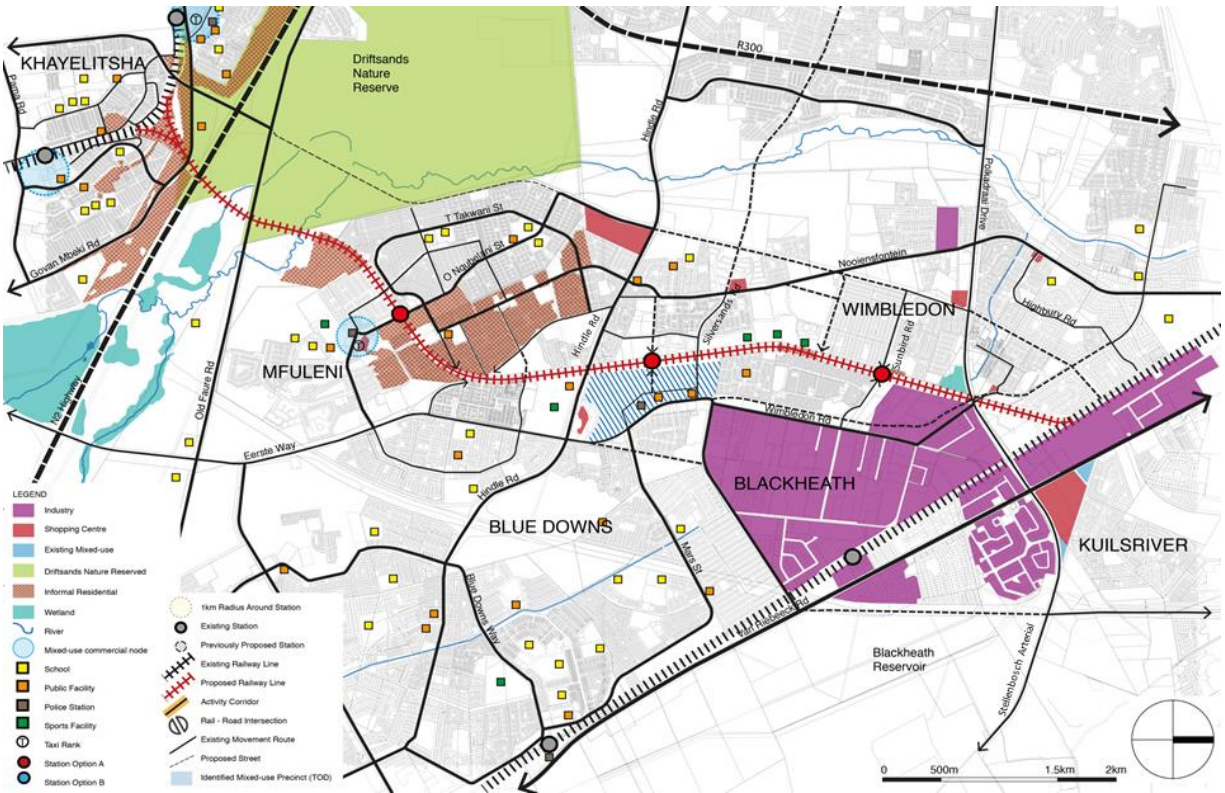
**Table 16: Estimated number of dwellings and households to be relocated per property**

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 PHSDA 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 8 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.

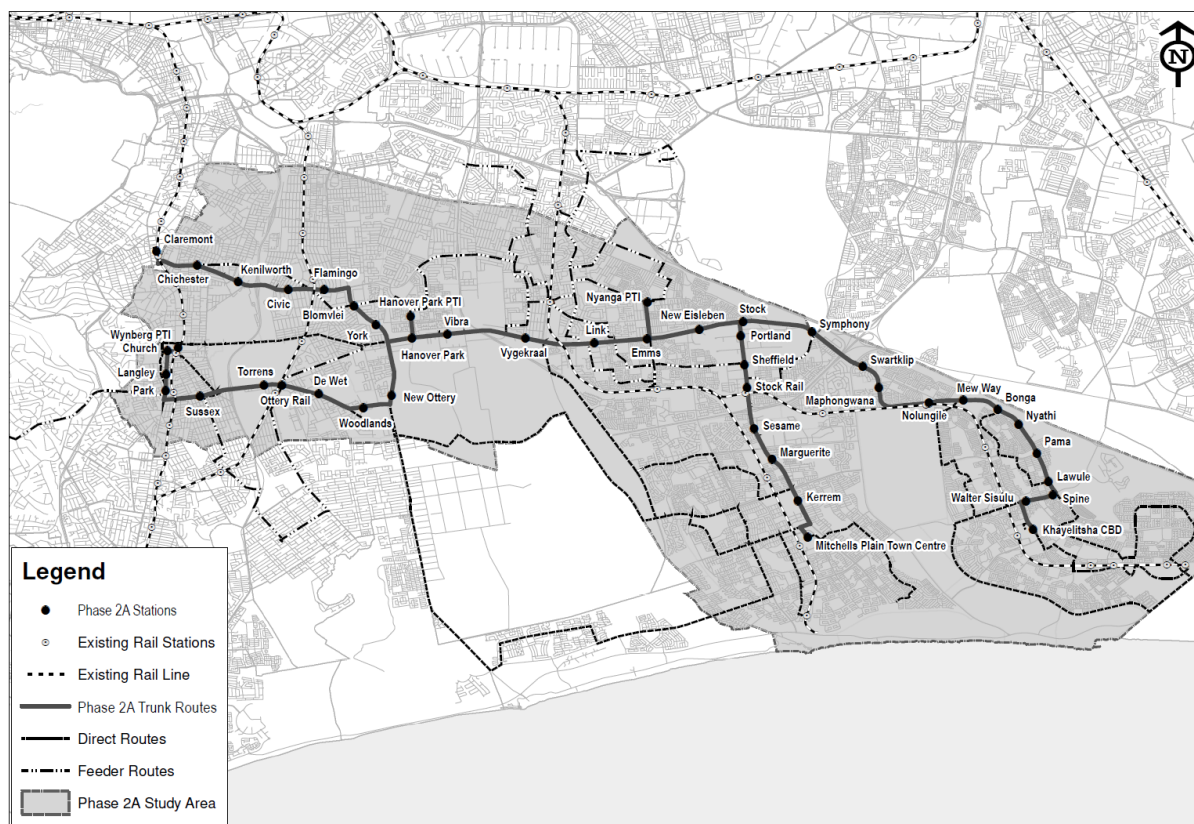


**Map 8: Blue Downs rail link corridor**

- **MyCiTi rollout**

This project includes a multi-billion rand capital investment and 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 Southeast Corridor') that includes two trunk routes in the Metro Southeast linking Khayelitsha and Mitchells Plain to Wynberg and Claremont 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 under way. The Urban Mobility Directorate is working closely with various directorates including Water, Electricity, Area-based Economic Development and Human Settlements to ensure the successful implementation.

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 9: MyCiTi Metro Southeast Corridor 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 minibus 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.

- **Temporary relocation areas (TRAs) and transport linkages**

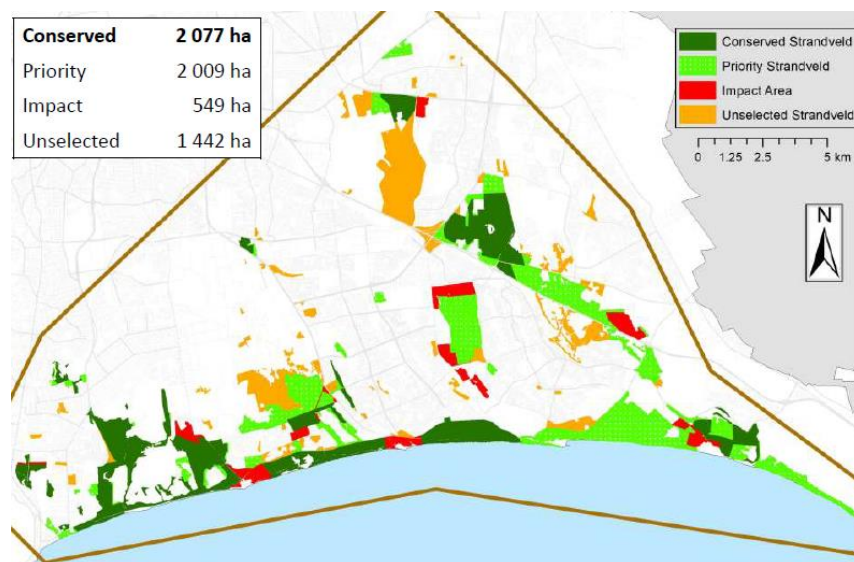
Integrated planning between Transport and Human Settlements can ensure that TRAs are supported by accessing existing transport services.

### 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 settlement 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 10: 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. The City of Cape Town has committed to implementing green procurement in its operations and capital projects. A commitment to green procurement is integrated in the City's Environmental Strategy and is incorporated, as a principle and desired outcome, in the City's Supply Chain Management Policy. This allows staff to include environmental sustainability as a criterion in procurement decision making. In 2020, the City of Cape Town finalised a Green Procurement Action Plan, which seeks to give effect to the City's commitment to green procurement and to consolidate and mainstream the implementation of green procurement in the City.

The City has implemented many successful green procurement projects and practices in its operations, and various examples of integrating and incorporating resource efficiency and environmental sustainability features in the design and construction of City housing projects, including: the Witsand 'iEEECO' (integrated-energy environment empowerment cost[1]optimisation) low-cost housing project; Morningstar housing project; Greenville Garden City; Ocean View stone houses; Dido Valley housing project; and Pelican Park housing development. These seek to promote resource efficiency and at the same time improve the living conditions and environments for housing recipients and occupants. Resource-efficient interventions and passive design provide recipients and occupants with cost savings related to energy and water.

Notwithstanding the latter achievement, there is still room for a transversal focus on advocating for greener technology and the use of more sustainable building materials, especially within state-subsidised housing projects. To this end, 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**

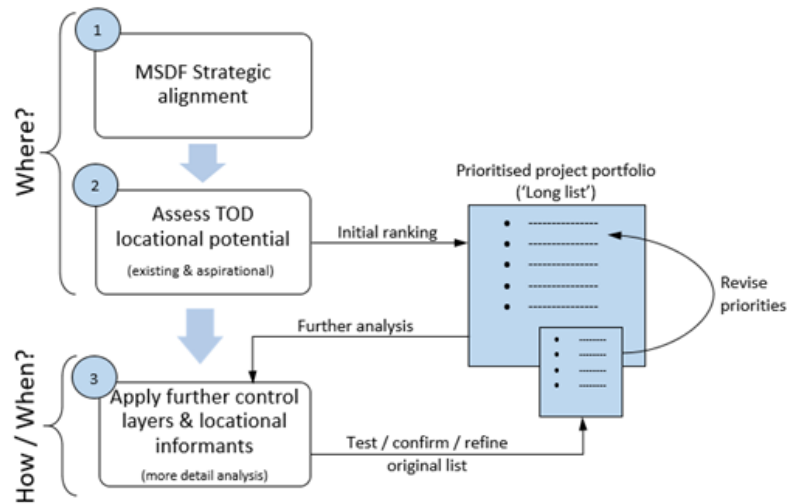
Unlawful land occupations threaten critical biodiversity areas. There is a need to collaborate in response to this trend by creating a supportive process with conservation partners, such as CapeNature and SANParks, to align and support efforts to counter unlawful land occupation of the City's green open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

### **3.4.3. Urban catalytic investment**

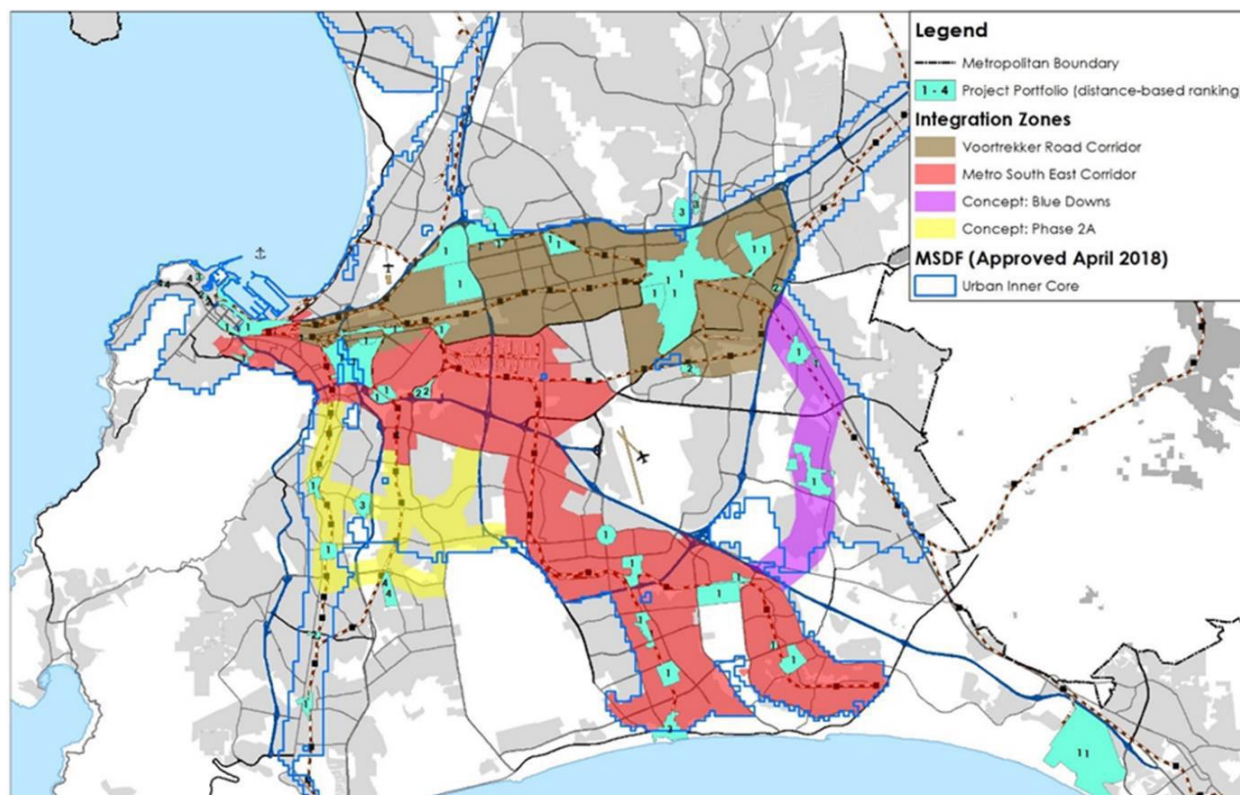
Guided by National Treasury's Catalytic Land Development Guideline (2018), Council approved the Catalytic Land Development Programme (CLDP) on 31 July 2019. The CLDP provides a spatial targeting mechanism and portfolio prioritisation framework (see figure 12) to assess the potential of transit accessible precincts (TAPs) of the City's adopted integration zones: Voortrekker Road Corridor, Metro Southeast 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 were prioritised.



**Figure 12: TOD Portfolio Prioritisation Framework**



**Figure 13: 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 CBD Precinct**

The medium- to long-term regeneration of Bellville CBD (figure 14 below) 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.





**Figure 14: Bellville's spatial vision**

UCI is accelerating the planning and project packaging of the western portion of the CBD which consists of two City-owned erven, the site currently accommodates the netball sports facility and a parking area. The initial plans aim to create between 810 – 950 affordable housing opportunities with space for other land uses (such as office, retail and ECD opportunities). Part of the plan is to rehabilitate the Elsiekraal River, which forms the southern boarder of the site, into a welcoming public amenity that links with Elizabeth Park and the riverine corridor northwards towards Jack Muller Park.

### **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 addition, and in support of the IDP's initiative to support emerging SMME developers of small-scale rental accommodation, UCI is accelerating the planning, preparation of land use applications, and subsequent project packaging for the Terminus Road pilot scheme located on City-owned erf 5268 immediately north of Stock Road Station, and Joe Qgabi PTI, providing for approximately 200 units of mixed-use housing in a phased approach to land release.

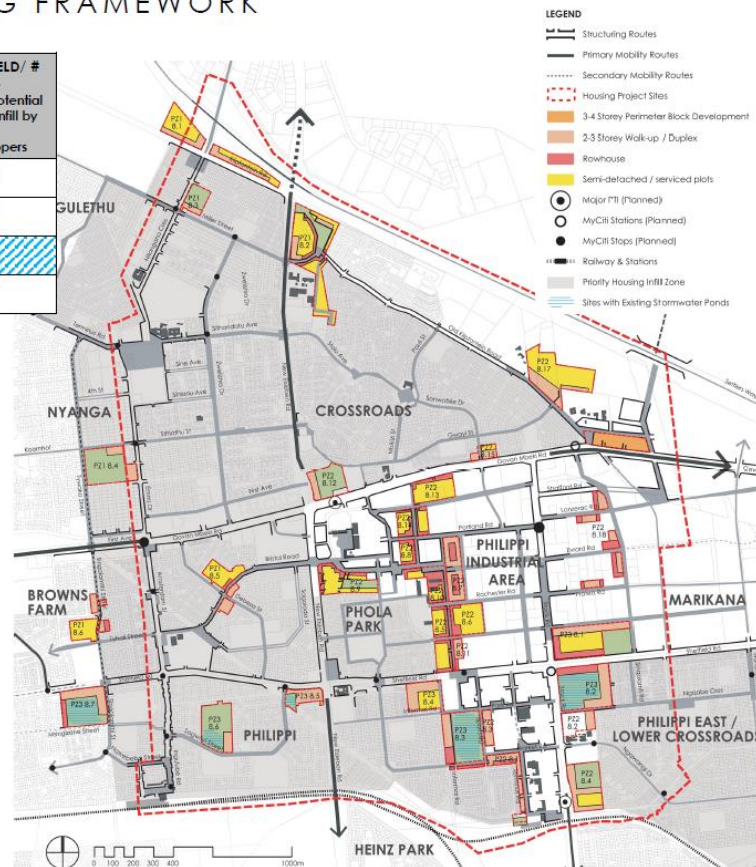
## UPDATED POA HOUSING FRAMEWORK

	Total Area (gross) (ha)	Developable Area (Net) (ha)	EST YIELD/ # UNITS- conservative Before Infill by Micro Developers	EST YIELD/ # UNITS- Total Potential (After infill by Micro Developers)
PZ 1	21.5	9.8	1060	1950
PZ 2	42.5	21.7	2757	4562
PZ 3	23.1	9.3	1519	2057
TOTAL:	87.1 ha	40.8 ha	5336	8569

- Sites with existing stormwater ponds & on Sheffield Road**
- Confirmation of the housing potential subject to current studies (due for completion in June 2022)

### POA Priority housing infill zone (Existing Residential Areas within the POA boundary)

- Guidelines and by-law processes are required to effectively manage and promote infill by micro-developers
- Boundary to be confirmed- relates to existing formally developed residential areas in the POA
- Impact on services to be confirmed and associated required upgrades
- Impact on stormwater functions to be confirmed



**Figure 15: Philippi Opportunity Housing Framework and estimated yield**

In addition to the Terminus Road pilot SSRU scheme mentioned above, UCI has identified a pipeline of potential small-scale rental unit land release projects as depicted in figure 16 below. The potential housing yield from these projects is approximately 1 400 units.



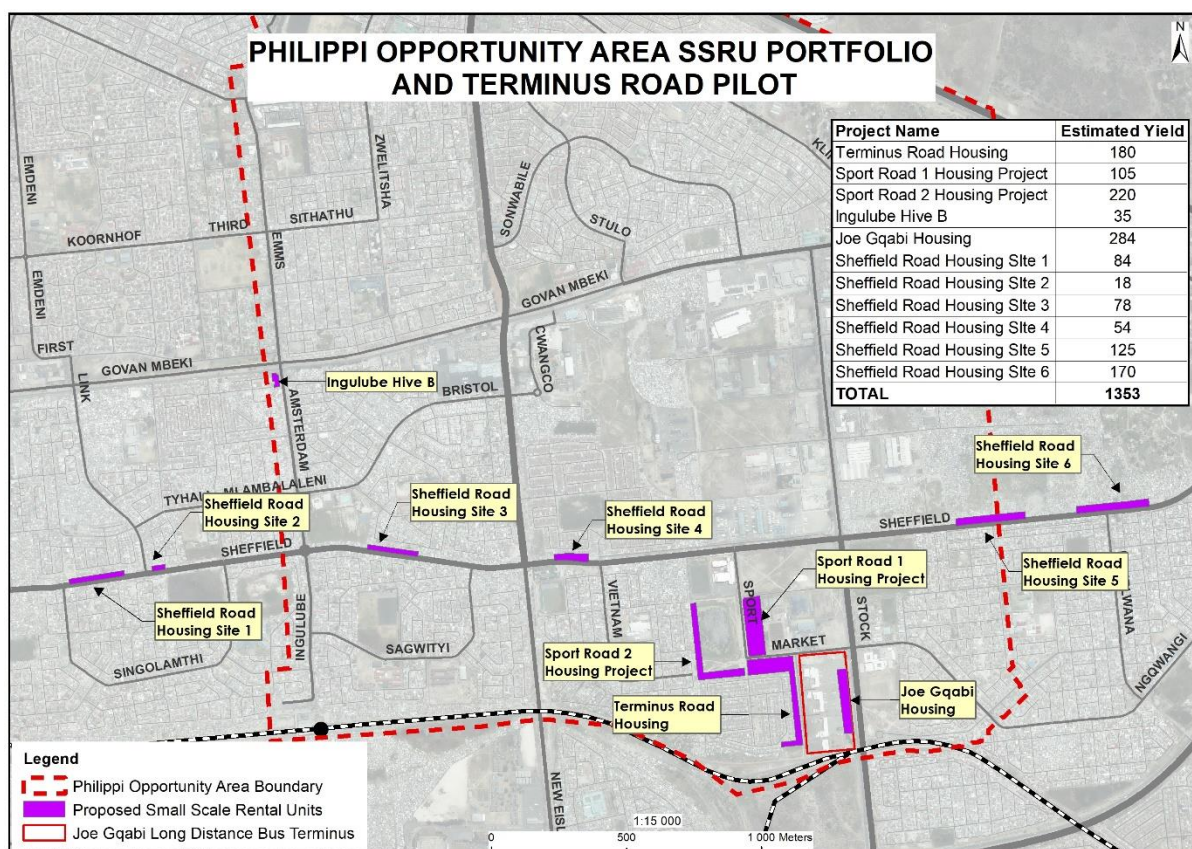


Figure 16: POA SSRU project pipeline

### Gateway catalytic precinct

In 2020, UCI developed a conceptual vision for the Gateway catalytic precinct (see figure 17) located on the western edge of the CBD, an area with considerable potential for catalytic investment by linking the CBD, V&A, Bo-Kaap and De Waterkant, given the very high land values and considerable (79%) underutilised public land holdings.

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.

UCI is accelerating the planning and project packaging of sites on the Lower Buitengracht Road Reserve in support of the Mayor's Accelerated Land Release Programme, creating opportunity to leverage the land value to deliver some 2 000 units of mixed-income residential by the release of land to the market, stimulating the supply of inclusionary housing.



**Figure 17: Gateway precinct indicative land uses and block numbers**

Catalytic Precinct	Description	Locality
Gateway Precinct	Block 28 (Strand Street corner)	<b>400 units</b> 1500m2 commercial GLA, 15090m2 nett residential floor area
Gateway Precinct	Block 18 & 29 (Soil Lab)	<b>365 units</b> 1500m2 commercial GLA, 15090m2 nett residential floor area
Gateway Precinct	Block 25, 26 & 27 (Bo-Kaap)	<b>545 units</b> 19 840m2 net residential floor area, 8800m2 commercial GLA
Gateway Precinct	Block 30 (Fireman's Arms)	<b>245 units,</b> 8400m2 net residential floor area
Gateway Precinct	Block 31 (Tall Tower)	<b>475 units</b> 16200m2 net residential floor area

**Table 17: Approximate units in blocks 25 – 31 (note block 29 forms part of WCG PPTL site)**

## 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 public land in Athlone CBD in line with transit-oriented development objectives. The study area includes the C40 site abutting the Athlone Station. Opportunities were identified to provide an additional 1 300 residential opportunities in the Athlone CBD precinct. Project packaging for Block 8 in Aden Road is under way and will yield approximately 20 residential units. The Athlone Stadium forms part of a separate process, led by Strategic Assets Department.



**Figure 18: Athlone CBD precinct land development opportunities (excluding the stadium)**



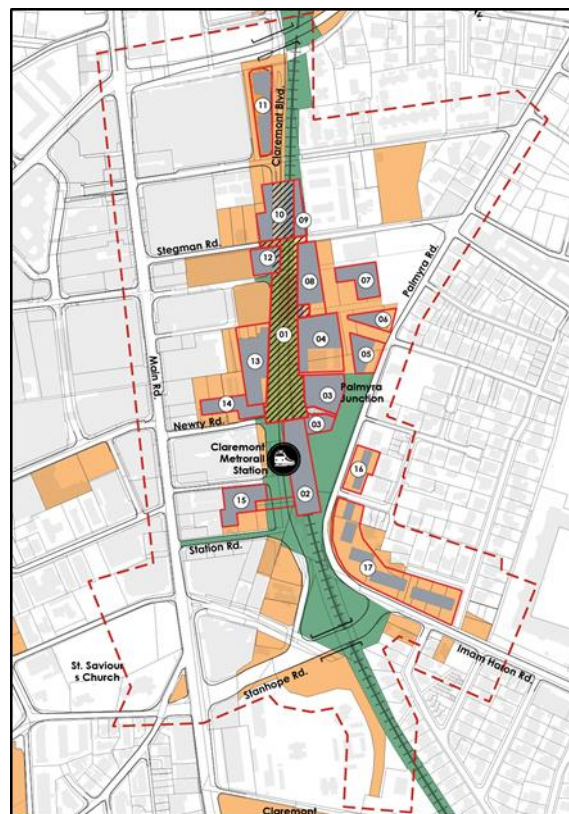
					RESIDENTIAL			
Block	Description	Ownership	Retail m <sup>2</sup> GLA	Mixed /other m <sup>2</sup> GLA	Units 1bed	Units 2bed	Units 3bed	Total Units
1	PRASA	PRASA	780	8550	43	27	11	81
2	C40 site	City	939	939	74	47	19	140
3	POS Carrington	City	0	0	46	29	13	88
4	Barcombe/Klipfontein	City	0	0	69	44	19	132
5	Eike/Klipfontein	City	0	0	107	68	29	204
6	Library(new)	City	720	5616	0	0	0	0
7	Police/Court	NDPW	0	6822	0	0	0	0
8	Aden Rd South	City	302	0	10	7	3	20
9	Dulcie September	City	1981	0	339	215	90	644
10	Stadium	City	1819	4850	173	111	46	330
11	Taxi area	City						
12	Bokmakierie Canal	Private+ Servitude						
	TOTAL		6541	26777	861	548	230	1639

Block	Description	Retail GLA m <sup>2</sup>	Office GLA m <sup>2</sup>	Units 1-bed	Units 2-bed	Units 3-bed	Total Units
1	C40 Site Moquet Farm	3156	4053	413	263	111	787
2	Glenbridge Special School	0	3862	0	0	0	0
3	Clinic Site	0	619	92	59	25	176
4	Peninsula High	0	0	202	129	53	384
5	Trent Rd Housing	0	0	9	6	2	17
6	De Waal/ Massinger	0	0	20	12	5	37
7	Diep River Station	2394	2394	40	26	10	76
8	Mile End Housing	0	0	16	10	4	30
9	Paddington Pedestrian						
	<b>TOTAL</b>	<b>5550</b>	<b>10928</b>	<b>792</b>	<b>505</b>	<b>210</b>	<b>1507</b>

**Table 19: Approximate units on City land in Diep River**

### Claremont CBD Catalytic Precinct

Urban Catalytic Investment initiated the preparation of an Urban Design Vision at the end of 2022 for the public land in Claremont CBD, in line with transit-oriented development objectives around the existing Claremont rail station, and the proposed Claremont BRT station is currently under investigation. Transport modelling, pedestrian and parking counts will also inform the long-term vision for this precinct. Figure 20 indicates work in progress, and more detail around the quantification of the residential opportunities will be determined towards the end of 2023.



**Figure 20: Claremont CBD precinct land development opportunities**

### **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, appropriate spatial location planning and available budget.

The City takes an integrated precinct planning and development approach to providing civic and community facilities. This includes upgrading/expanding capacity within existing facilities and developing new facilities in areas of need, following a co-location and clustering of facilities approach. A hierarchy of civic clusters (a network of 135 nodes illustrated on the map with numbers indicating ranking in terms of need) with community facilities operating at different scales has been identified and forms the basis of a development framework for community facilities. This supports the principle of co-location and clustering of facilities within precincts taken by the Community Services and Health Directorate.

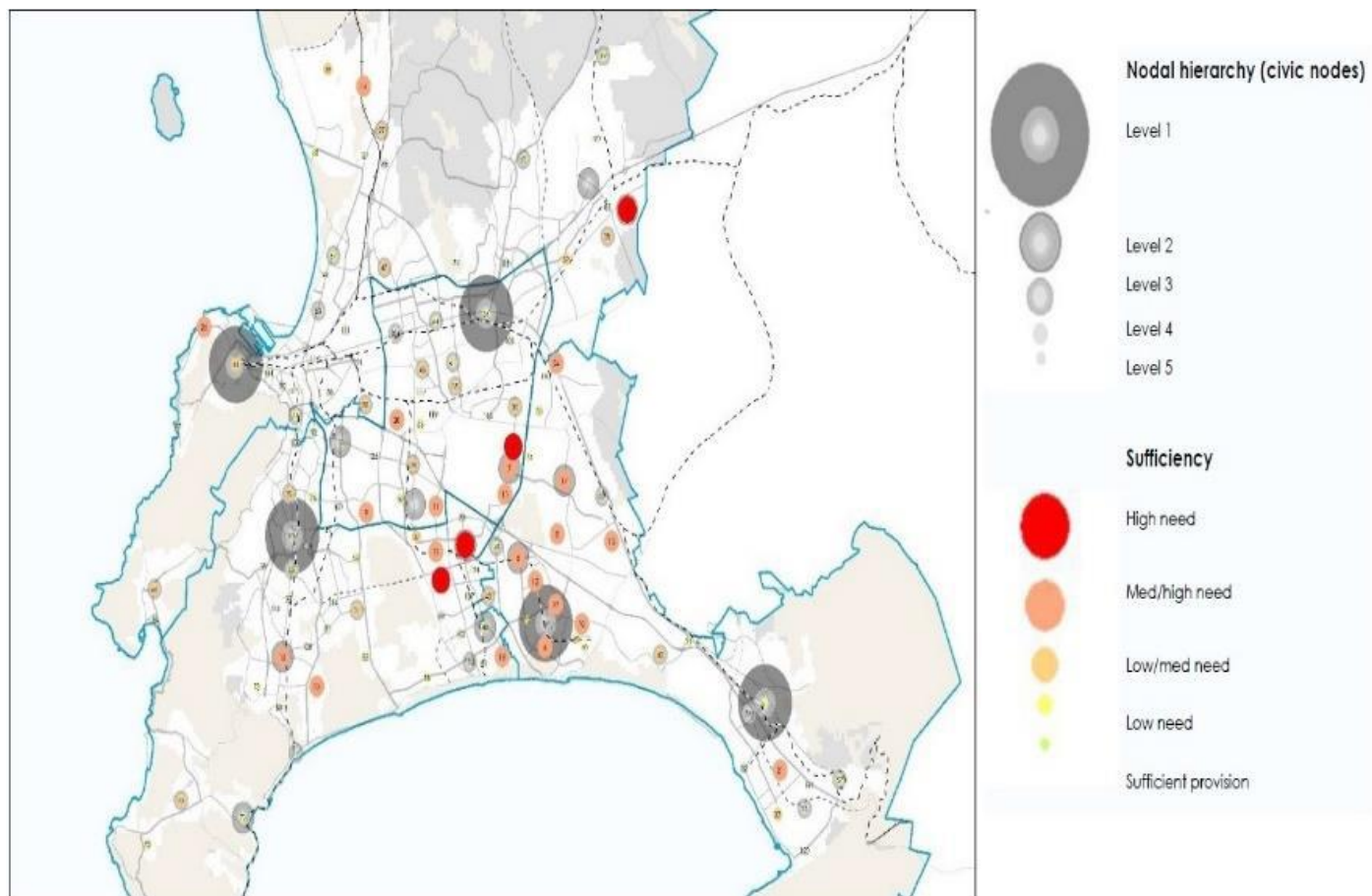
As such, 24 precincts across the City have been identified as backlog or optimisation precincts and prioritised for investment to drive spatial transformation. The prioritisation of precincts was informed by modelling that identifies sufficiency and insufficiency (understand areas of need) in light of the different facility standards and population projections. The results are used as a data-driven support tool to inform strategic planning, budgeting and implementation of community facilities. This investment is planned for and implemented through key programmes for the following line departments: Recreation and Parks, Social Development and Early Childhood Development (SDECD), Libraries and Information Systems, and City Health.

The Recreation and Parks programmes include the Integrated Recreation Facilities Programme, which involves the clustering of sports and recreation and parks facilities within identified areas at a community scale, the Regional Recreation Hubs Programme that involves developing and facilitating organised, formal sport, informal recreation and play at a regional scale. These are multi-code and multi-use facilities that include soccer, athletics, cricket, netball, rugby, hockey, swimming, cycling and tennis, that meet federation standards. Other programmes implemented include the optimisation programme to ensure operation and maintenance resources are utilised efficiently and effectively.

The SDECD programmes include the homeless shelter programme and the implementation of community facilities (ECD centres and play areas) within informal settlements. The LIS programmes are optimisation of services and expansion of libraries while City Health programmes include the National Core and Ideal Clinic Standards.

Precincts and clusters of facilities where the benefits of agglomeration can be realised by residents and departments alike have been prioritised in order to guide future planning, design and project execution. Some current examples include Wallacedene, Enkanini, Delft, Wynberg, Elsie's River, Blue Downs, Bellville, Philippi and Pelican Park.





**Map 11: A hierarchy of civic clusters in terms of most facilities needed (numbers indicate rank)**

### 3.4.5. Energy

#### 3.4.5.1. Energy efficiency in new and existing homes

For the provision of low-income, affordable and government-provided new homes, 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 ceilings; natural lighting, and installation of low-pressure solar water heaters. The implication for energy and human settlements is that a significant amount of effort needs to be placed into the provision of energy-efficient homes via the design and specifications of the homes and the layout of the grid. This needs to be supported by driving energy efficiency in the national government subsidy and specifications. Incorporating low-tech solutions such as solar water heating would support this agenda.

Energy efficiency in existing homes needs to be supported by awareness and education campaigns that equip home owners with practical tips and knowledge around energy use

behaviours; low-cost and no-cost interventions that can reduce household consumption in high-income homes. Small-scale embedded generation has been extensively adopted by higher-income homes; this trajectory is supported by the City although the impact on management of the grid needs to be considered.

#### **3.4.5.2. Provision of energy and electrification to low-income housing**

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 social, environmental and economic impacts. Considerations for the energy and human settlements nexus should be on enabling better access to the current provision for affordable energy services via the lifeline tariff and free basic electricity (FBE) allowance. With settlements in the low-income households, unfolding in an ad hoc manner (including informal settlements and backyarding) energy provision needs to be tailored in response to the specific challenges and conditions across these sectors.

In addition to the FBE, 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 energy, should be considered in cases where grid electricity connection is not possible to reduce fire risks, enhance community wellbeing and health, and improve 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. Spatial integration and densification to support a low-carbon city: homes closer to economic opportunity**

The City's Climate Change Strategy and Action Plan (approved in 2021) provides high-level strategic guidance for decision making, planning, and project development to ensure a resilient and low-carbon city for all. A specific action to achieve the vision is the densification and provision of housing close to public transport nodes and economic opportunities. This is supported by several projects and initiatives within the city, such as the urban catalytic projects focus on densification and regeneration of existing central business hubs and districts by supporting or providing appropriate housing and commercial developments close to economic activity, transport nodes and services that support quality of life. Providing homes within these precincts needs to be done with the highest level of energy efficiency to both reduce future demand and ensure lower energy costs for the occupant. Renewable energy needs to be provided for as standard response for the holistic sustainable development of these large, long-term and complex projects to secure a low-carbon City.

Supporting micro-developers is a key densification strategy. This market response to the need for affordable homes to rent or buy raises the need to interrogate how energy services are accessed and/or provided for by the City. In the drive to support the legalisation of these structures, supplied material can also address energy efficiency in homes.

### 3.4.5.4. 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 the 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.

### 3.4.6. Climate change

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.

Strategic focus areas	Goal(s)	Action(s)	Lead directorate/ department	Supporting departments/directorates
<b>SFA 6: SPATIAL AND RESOURCE INCLUSIVITY</b>	<b>Goal 10:</b> Density mass transit routes through mixed-use developments that support public transport and include social housing	<b>Action 10.2:</b> Promote and support integrated human settlement development that is climate responsive	Human Settlements Directorate	<ul style="list-style-type: none"> <li>• Resilience</li> <li>• Sustainable Energy Markets (Climate Change Team)</li> <li>• Water and Sanitation</li> <li>• Solid Waste Management</li> <li>• Development Management</li> <li>• Property Management</li> <li>• Urban Planning and Design</li> <li>• Social Development</li> <li>• Recreation and Parks</li> </ul>
<b>SFA 8: ZERO-EMISSION BUILDINGS AND PRECINCTS</b>	<b>Goal 15:</b> All new buildings (residential, commercial) to be net zero carbon by 2030	<b>Action 15.3:</b> 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	<ul style="list-style-type: none"> <li>• Sustainable Energy Markets</li> <li>• Environmental Management</li> <li>• Resilience</li> <li>• Development Management</li> </ul>

**Table 20: Climate Change Action Plan strategic focus areas where Human Settlements plays a leading role**

### 3.4.7. 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; greywater management issues

### 3.4.8. 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. Guidelines in support of this initiative were developed and approved by Council in May 2023.

## 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 has been 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 MSDP
  - 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 First Home Finance Programme<sup>12</sup>, 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 the integrated District Spatial Development Framework and Environmental Management Framework (DSDF-

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<sup>12</sup> Formerly known as the Financed Linked Individual Subsidy Programme

EMF). 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 the 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.

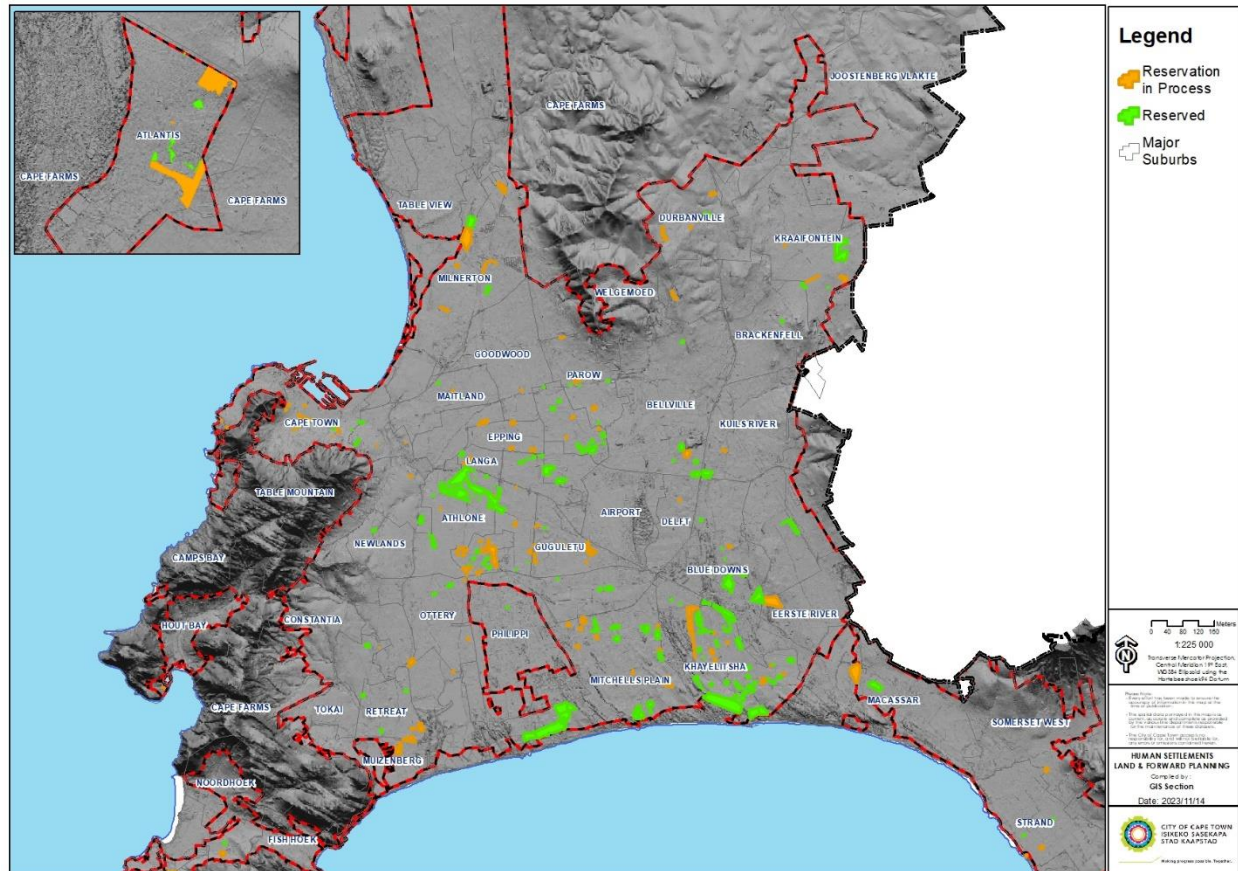
NO	ACTIVITY	RESPONSIBLE PERSON	DURATION (MONTHS)
1	Land Identification and receipt of request to acquire	Human Settlements	2
2	Obtain basic property info and Locality Plan	Human Settlements	
3	Obtain TOD / LAP report	District Planning	
4	Obtain EM screening & contamination report	Environmental Management	
5	Obtain Bulk Infrastructure Availability Comments	Engineering Services	
6	Prepare Due Dillgence Report	Human Settlements	
7	Prepare Acquisition Request Form for submission to Property Management	Human Settlements	1
8	Obtain signatures and submit to Property Management	Human Settlements	
9	Verify info, obtain zoning certificate, title deed, etc. and request additional info from client department.	Property Management	2
10	Obtain acquisition plan and verify with client department	Property Management	
11	Initial notification letter to owner	Property Management	
12	Valuation report	Property Management	3
13	Provisional offer and negotiations with owner	Property Management	2
14	Compensation accepted	Property Management	
15	MAYCO report	Property Management	2
16	MAYCO authorization to acquire (agreement)	Property Management	
17	Deed of Sale	Property Management	1
18	Payment of compensation into trust account	Property Management	
19	Conveyancing, transfer and registration	Property Management	3
<b>TOTAL</b>			<b>16</b>

**Table 21: Land acquisition process**

Mechanisms applicable to human settlements development are further discussed below.

a) Reservations

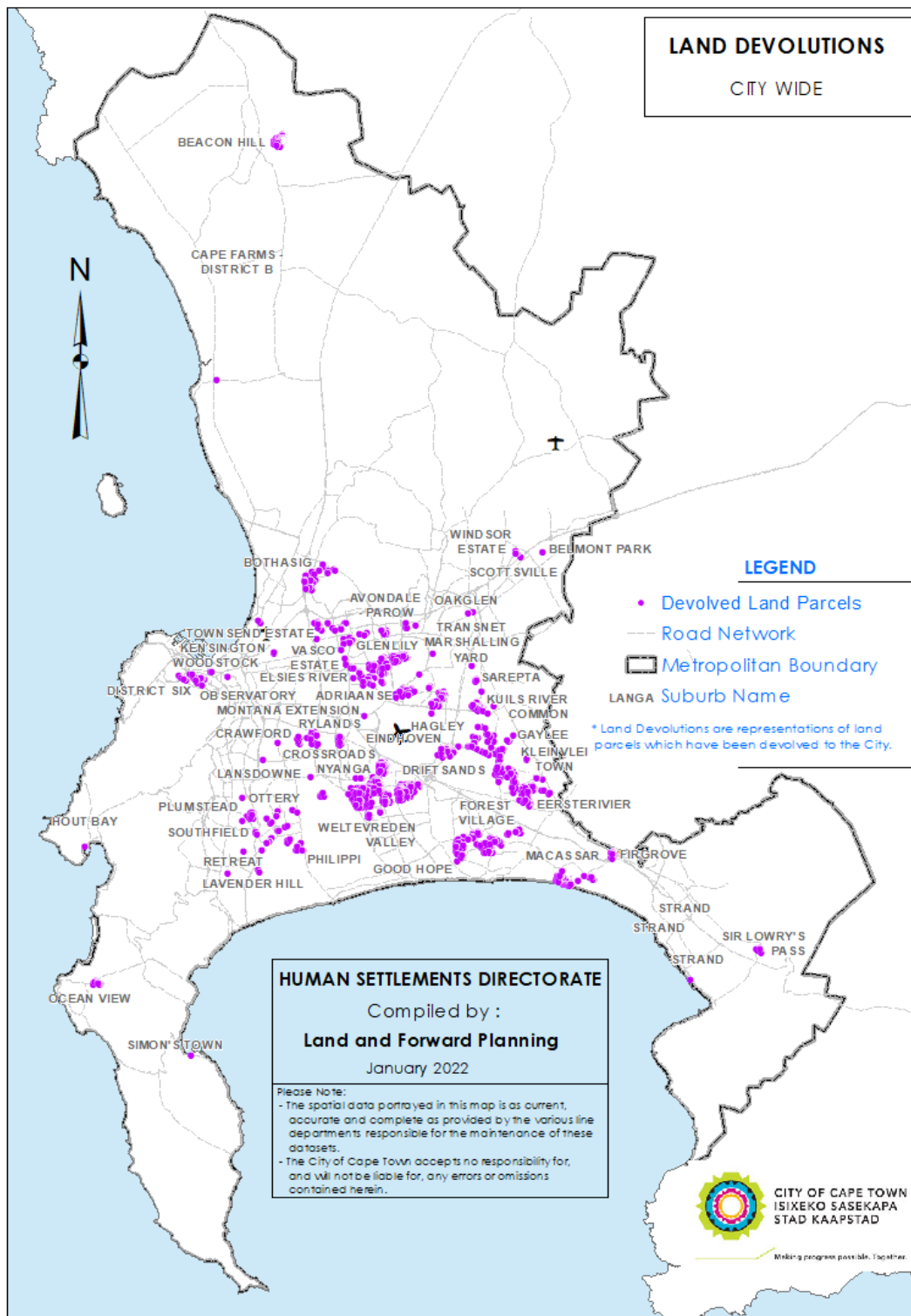
Land owned by Council is reserved for, amongst others, housing development so as not to be inadvertently sold. Map 12 depicts land parcels that have been reserved for human settlement purposes to date. However, it should be noted that some land parcels have already progressed into human settlements projects. As highlighted above, all City properties that can be utilised for human settlements 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 12: City-owned land reserved for human settlements 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 13 and table 22 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 13: Locality of 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	Kleinvele, 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
<b>TOTAL</b>		<b>3 393</b>	<b>2 775</b>	<b>2 152,146</b>

Table 22: Properties devolved to date

#### 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, floodlines, 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<sup>13</sup> 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

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

and other City incentives, affordable housing development and management costs can be reduced, and many more households can benefit from well-located affordable housing.

The Land Release Programme has four workstreams, namely:

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.

Work within these workstreams are steadily making progress. The table below outlines the land parcels awarded thus far since the inception of the Land Release Programme, which will deliver an estimated 3 323 affordable housing opportunities in 2024 and 2025. The proposed land parcels to be released as part of the second and third tranches, together with the projects that will emanate from this will be further outlined under the Affordable Housing Programme, section 4.1.3.3 of this document.

No	Land parcel	Development type	Development stage	Estimated yield	Estimated construction start
1	Salt River Market	Mixed	Final award	1 000	April 2024
2	Parow subprecinct 1	Social housing	Final award	343	April 2025
3	Parow subprecinct 2	Social housing	Final award	180	March 2025
4	Pickwick Street	Mixed	Final award	1 800	March 2025
<b>Total housing opportunities</b>				<b>3 323</b>	

**Table 23: Land parcels awarded since inception of Land Release Programme**



#### **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 14). 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 14 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, namely: In-situ upgrade subprogramme and the Mixed-Use Greenfield development programme, undertaken under the UISP and IRDP subsidy programmes respectively.

There are four main projects in the Southern Corridor Programme, each comprising a grouping of smaller interrelated projects that have been identified for redevelopment or upgrading, which include:

1. **Airport Precinct**

a. Airport main site

- The Department of Infrastructure (DOI) has obtained development rights for ± 8 500 housing opportunities in single-, double-, and multi-storey configurations.
- The landfill site must be rehabilitated through a 'dynamic compaction' process before construction can commence. The funding for this process is yet to be secured.
- 3 000 families must be relocated to Welmoed Estate (Penhill) and iThemba in order to start the landfill remediation works; however, delivery of houses at Welmoed and iThemba has been delayed, and there are no confirmed timeframes for completion of any units yet.

b. Airport infills

- A contract was awarded in 2019 for the delivery of 709 housing opportunities in free-standing and multi-storey configurations.
- Multi-storey units have been removed from the scope of works due to a lack of a management model for sectional title BNG developments, resulting in a reduced development opportunity of only 501 BNG units.
- Services have been installed on these sites, but have not yet been handed over to the City of Cape Town.
- Due to security issues related to the construction mafia, the construction contract has been cancelled. A new contract is being contemplated, using contractors from the DOI's maintenance framework agreement to complete the services installation.

c. Tsunami and Harliquin sites

- The DOI has acquired development rights for the construction of 873 housing opportunities in single-, double-, and multi-storey configurations on the Tsunami site.
- In order to develop Tsunami, a portion of the site, which is severely overpopulated, must be decanted to an alternative site in order to create enough space for a feasible construction contract to be awarded. A major challenge on site is the high number of non-qualifiers, which is being attended to.

d. Thabo Mbeki

- The department has obtained development rights for 1 384 housing opportunities on the sites known as Thabo Mbeki East, Thabo Mbeki West and Thabo Mbeki Island Site.
- Ownership of the three sites is as follows:
  - Thabo Mbeki East: DOI, CCT
  - Thabo Mbeki West: HDA, DOI, CCT
  - Thabo Mbeki Island Site: HDA
- Both Thabo Mbeki East and Thabo Mbeki West are densely occupied, while the Island Site is a vacant property which the department acquired through the HDA to facilitate dedensification on the other sites.

- Due to the generally high number of non-qualifiers, the department proposes that:
  - only the Island site be developed initially to accommodate the qualifiers from Thabo Mbeki East and Thabo Mbeki West.
  - the Thabo Mbeki East and Thabo Mbeki West sites be reblocked simultaneously and receive basic services.
  - land portions owned by Dol and HDA be transferred to CCT for reblocking and installation of basic services.

## 2. **Kosovo informal settlement**

### a. Kosovo main site

- The Kosovo main site is home to approximately 6 600 families living in densely populated informal conditions.
- The site is expected to deliver 4 500 housing opportunities.
- The department has already submitted a Plan of Subdivision to the City of Cape Town for phases A1 and A2, comprising ± 2 500 opportunities.

### b. Farm 694

- This is the first decanting site for the Kosovo informal settlement.
- The department has developed 434 BNG houses on this site, 217 of which were allocated to beneficiaries from the Kosovo informal settlement.
- All houses have been handed over to beneficiaries, and the contractor is currently attending to defects.

### c. Weltevreden Wedge

- The department has acquired (through the HDA) several portions of land in this large tract of land.
- The intention is to deliver approximately 5 000 housing opportunities, which will serve as the second decanting area for the Kosovo informal settlement.
- The department has commenced with the development of a conceptual development framework for this area, as well as the planning processes of the first phases of the project.

## 3. **iThemba Farms**

- Two tenders were advertised in 2018 for the installation of bulk and internal services, and construction of top structures on this site, following the approval of all development rights. However, due to illegal occupation of these sites by farmers, the tender processes were cancelled before the contracts were signed.
- The department has since focused on meeting the development conditions imposed by the City of Cape Town, as well as engaging with the occupiers regarding their relocation to allow for construction to commence in phases.

## 4. **Welmoed Estate (Penhill)**

### a. Welmoed Housing Development

- The contract for phase 1a of this development was awarded in 2019; however, illegal occupation of the land by farmers has hampered construction on site.

- A 292-unit TRA was constructed on site to accommodate the illegal occupants. Only some of the illegal occupants have moved into the TRAs and the site is still largely encumbered by illegal farming operations.
  - The department intends to cancel the construction contract while professional service providers complete outstanding planning activities.
  - The department has also initiated legal proceedings related to the eviction of the illegal occupants of the site.
- b. Welmoed bulk sewer and bulk water infrastructure
- Bulk sewer and bulk water installations were included in the main contract for phase 1a. Most of the bulk services were located in areas outside the main Welmoed site and on areas within the site that were not occupied by farmers. These contracts were largely completed, with the exception of areas occupied by illegal farmers.
  - Approximately 6,5 km of bulk sewer infrastructure has been completed.
  - A 15 mega-litre reservoir has been completed.
  - A rescoping exercise was carried out to isolate the services that lie within the illegally occupied area, so that the completed services may be handed over to the City of Cape Town.
- c. Welmoed bulk electrical infrastructure
- Construction of the 132 kV main substation has been completed.
  - Construction of 2 x 66 kV minisubstations are in the final stages of construction.
  - Bulk electrical infrastructure will be handed over to Eskom once energised.

## **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). Herewith the status of the various projects within this corridor:

### **1. Greenville**

The development consists of 770 hectares (15 hectares of which are City-owned). The Greenville New Town is contiguous with the urban edge and lies approximately 4 km to the north of the established and growing suburb of Kraaifontein. The Durbanville town centre lies approximately 10 km to the southwest along the Wellington/Klipheuwel Road (MR188/R302). The Joostenbergvlakte smallholdings are to the south and there are two agro industrial areas to the west of it.

To date the following phases have been completed;

- Phase 1 – 853 top structures
- Phase 2 – 493 top structures
- Phase 3 – 562 top structures
- Phase 4 – 1 050 sites and 577 top structures

The funding application for the construction of phase 5 (495 sites) has been submitted with a planned construction date of March 2024.

## **2. Darwin Road**

The subject property is located to the north of the newly constructed Buh Rein middle-income residential development and to the south of the proposed Greenville mixed-use development. It has a number of 'fixes' that will shape the development of the site. They include a) Eskom power lines and servitudes; b) railway line; c) east-west links required by the City's transport plans (Darwin Road, Canary Street and New Langeberg Road); d) gravity sewer line (450 mm to 600 mm diameter) located along the western boundary and; e) stormwater drainage and wetlands.

The land use application was advertised on 4 November 2016, which proposed;

BNG: 2 947 units

GAP: 658 units

**Total: 3 605 housing opportunities**

On 12 September 2019, the Town Planning Tribunal approved the consolidation and rezoning, with specific and general conditions.

On 12 October 2021, the application was tabled at the Planning Appeals Advisory Panel (PAAP) and not supported.

The project was handed over to the Social and GAP Housing Department to do market research on the need for GAP/social housing.

## **3. Maroela South**

The project area covers some 19 hectares and is located within Kraaifontein East, south of the N1, north of Wallacedene and west of Bloekombos neighbourhood. The land holdings are grouped into two large land parcels that are infill sites very suited to residential development. There are no bulk infrastructure constraints.

The northern site was invaded during 2020, which resulted in the loss of 1 687 planned housing opportunities.

The southern sites were serviced (571 sites) and the first 10 BNG top structures were completed at the end of September 2023.

175 sites in the development has been reserved for GAP housing opportunities.

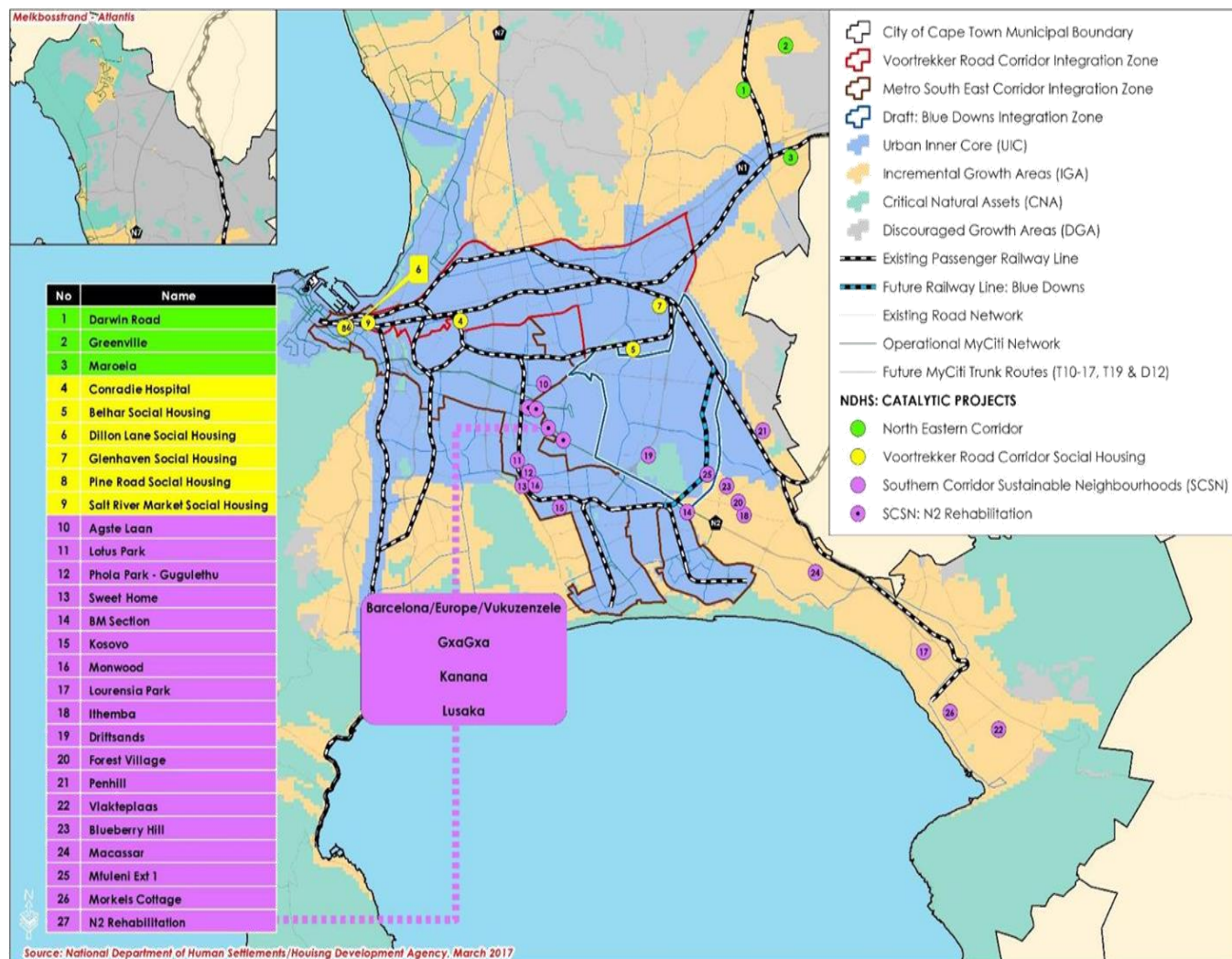
### **Catalytic Project 3: The Voortrekker Road Corridor Integration Zone Social Housing**

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 14: 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 Infrastructure, 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 a top-structure project.

Therefore, in 2012, the national Department of Human Settlements introduced the FLISP, now known as the First Home Finance (FHF) Programme, 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 Infrastructure is currently administering the FHF programme. Since the approval of the FHF 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 nationwide challenge. As a result, the national Minister of Human Settlements has introduced an amendment to the FHF 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 government 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.

The planned BNG housing projects for the period 2023/24 – 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 2023/24 – 2026/27 is illustrated in the table below.

Anticipated Delivery							
23/24		24/25		25/26		26/27	
Sites	Top Structures	Sites	Top Structures	Sites	Top Structures	Sites	Top Structures
2 700	1 300	2 400	1 200	2 700	1 200	4 000	1 300

**Table 24: Envisaged BNG housing opportunities for the short term**

No.	Projects in Planning Stage	Potential Units	Area	Sub-Council	Ward
1	Annandale	2 500	Milnerton	3	5
2	Atlantis Protea Park (Protea )	570	Atlantis	1	32
3	Athlone Infill	304	Athlone	11, 14	47 , 44 & 49
4	Belhar Vacant School Sites & surrounding properties	1 000	Belhar	5	12
5	Farm 920 plus Bloubos Road	539	Sir Lowry's Pass	8	84
6	Hanover Park	645	Hanover Park	11	47
7	Kensington	133	Kensington	15	56
8	New Crossroads	126	Gugulethu	13	38
9	Nooiensefontein	2 569	Blue Downs	21	19, 108
10	Pelican Park Phase 2	1 900	Pelican Park	18	67
11	Retreat (Crest Way)	453	Retreat	18	110
12	Strandfontein	750	Strandfontein	17	43
13	Vrygrond	665	Muizenberg	19	45

**Table 25: BNG housing opportunities in planning stage to be created in the short term**

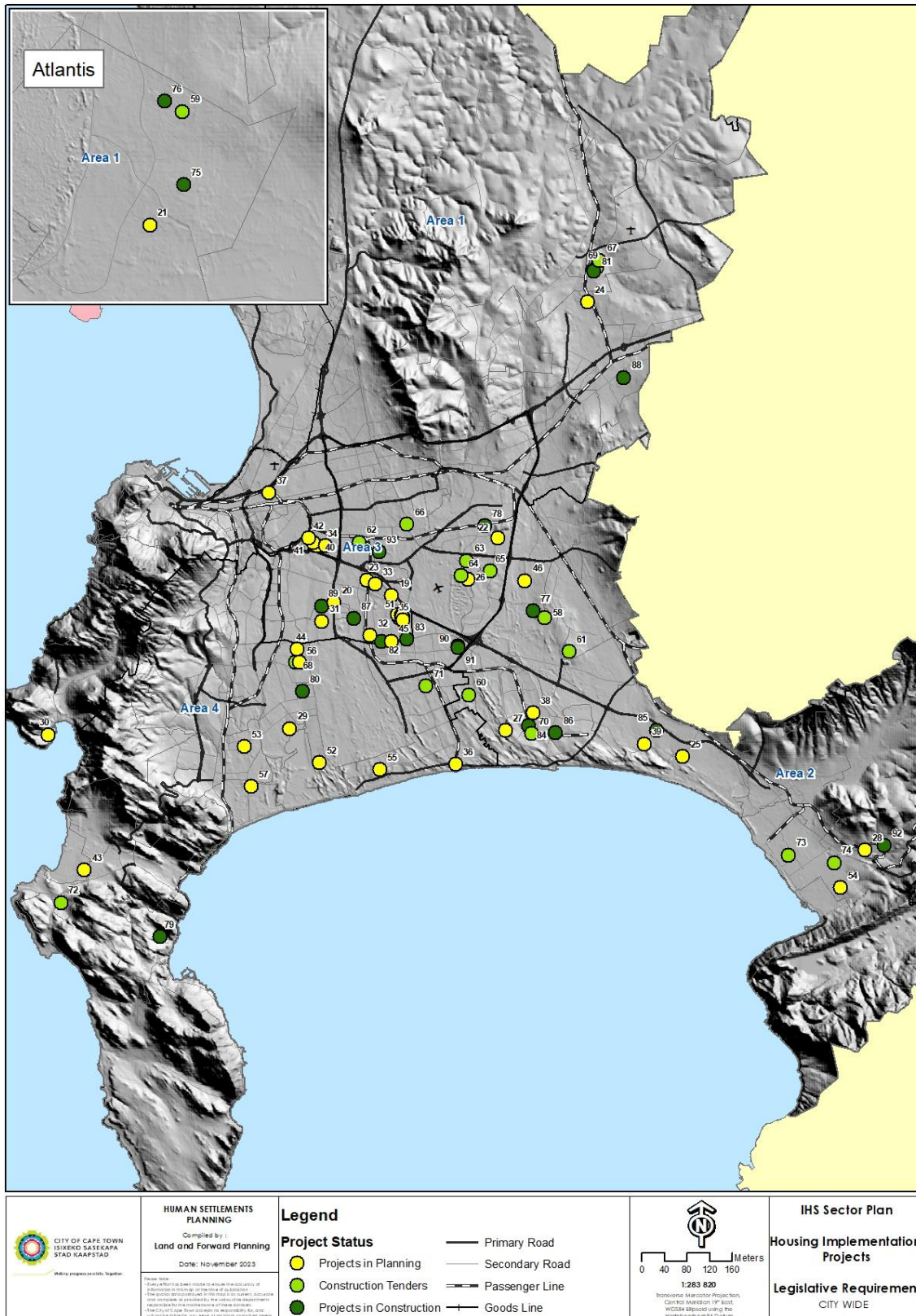
No.	Projects in Procurement Stage	Potential Units	Area	Sub-Council	Ward
1	Aloe Ridge (northern site)	720	Blue Downs	21	108
2	Aloe Ridge (southern site)	638	Blue Downs	21	108
3	Atlantis Kanonkop (Ext.12) Phase 2.A1	421	Atlantis	1	32
4	Atlantis Kanonkop (Ext.12) Phase 2.A2	738	Atlantis	1	32
5	Beacon Valley (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	Blueberry Hill	3 789	Blue Downs	21	17
8	Bonteheuwel Infill	361	Bonteheuwel	15	50
9	Delft Symphony Way Corridor (ACSA) (Site A)	1 586	Delft	5	13
10	Delft Symphony Way Corridor (ACSA) (Site B)	1 675	Delft	5	12, 22, 24
11	Delft The Hague Phase 1	216	Delft	5	13
12	Elsiesriver Infill	724	Elsiesriver	4	25,26 & 42
13	Elsiesriver Infill	724	Elsiesriver	4	25,26 & 42
14	Freedom Park	159	Ottery	18	66
15	Greenville UISP (Phase 2.2) (Sakhuluntu PHP)	966	Fisantekraal	7	105
16	Highlands Drive Infill	542	Mitchell's Plain	12, 17	75, 76
17	Mahama Infill	261	Khayelitsha	10	95, 96, 97, 98, 99
18	Masiphumelele Phase 4 Stage 2 ("Masiphumelele West")	635	Kommetjie / Noordhoek	19	69
19	Ocean View Infill	397	Ocean View	19	61
20	Rusthof Infill Project	384	Strand	8	85, 100
21	Vlakteplaas	4 300	Strand	8	100

**Table 26: BNG housing opportunities in construction tender stage to be created in the short term**

No.	Under Construction	Units	Area	Sub-Council	Ward
1	Atlantis GAP Sites Robin Vale and Beacon Hill (WBS 0014239)	491	Atlantis	1	29, 32
2	Atlantis Kanonkop (Ext.12) Phase 2	2 502	Atlantis	1	32
3	Belhar Pentech	106	Belhar	5	12
4	Dido Valley	600	Simon's Town	19	61
5	Edward Avenue	126	Grassy Park	18	66
6	Greenville Phase 4	1 050	Fisantekraal	7	105
7	Gugulethu Infill - Erf 8448	571	Gugulethu	13	39
8	Gugulethu Infill - Mau Mau (erf 2849)	434	Nyanga	13	37
9	Macassar	2 469	Macassar	21	109
10	Mahama Infill	261	Khayelitsha	10	95, 96, 97, 98, 99
11	Manenberg	587	Manenberg	14	30, 46
12	Maroela (South)	395	Kraaifontein	2	101
13	Pooke se Bos	135	Gatesville	14	46
14	Rusthof Infill Project	384	Strand	8	85, 100
15	Sir Lowry's Pass Village	307	Sir Lowry's Pass	8	84
16	Sheffield Road (City & Province)	384	Philippi	12	35
17	Valhalla Park	781	Valhalla Park	15	31

**Table 27: BNG housing opportunities currently under construction**

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 15: 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.

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 EPHP policy states that a municipality may act as a CRO and register as such with its provincial Human Settlements Department. In the interim, the City appointed 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.

The EPHP programme in the City of Cape Town has been reduced substantially with small contractors not being able to complete projects. The delivery has been very slow and many projects were not able to deliver any units in the last year. This is due to the knock-on effect from the COVID-19 period when smaller contractors struggled to service due to the inability to meet all the health and safety requirements on site, which resulted in cashflow challenges. This also resulted in many contractors closing down. The amount of projects that is expected to deliver in the current year has therefore been reduced. The approved EPHP projects are scheduled to deliver 140 housing opportunities in the 2023/24 financial year.

No	Project Name	Project Location	No of units in project	Anticipated delivery 2023/24
1	Bardale	Bardale	400	10
2	Dido Valley	Red Hill, Simonstown	500	47
3	Ithubaletu	Phillipi	400	10
4	Luncedo	Bardale	350	10
5	Senzeni	Khayelitsha	100	20
6	Silakhe	Bardale	261	20
7	Sikhululekile	Khayelitsha	103	10
8	Vukuzenzele	Khayelitsha	290	13
TOTAL				140

**Table 28: EPHP project list for the short term**

#### **4.1.3.3. Affordable housing programme**

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 (ODAs), the WCG Department of Infrastructure 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 affordable housing primarily through the development 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. The role of the City is to provide SHIs or ODAs 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 best.

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, ten social housing projects were completed within the City, which yielded a total of 4 125 affordable housing opportunities across the City, as illustrated in table 29 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.

PROJECT NAME	TPOLOGY	PROJECT LOCATION	ACTUAL YIELD
<b>Drommedaris</b>	Social Housing	Brooklyn	219
<b>Steenvillas</b>	Social Housing	Steenberg	700
<b>Conradie Park Phase 1</b>	Social Housing	Pinelands	432
<b>Bothasig Gardens</b>	Social Housing	Bothasig	434
<b>Scottsdene</b>	Social Housing	Scottsdene	500
<b>Belhar Social Housing</b>	Social Housing	Belhar	629
<b>Anchorage</b>	Social Housing	Glenhaven	512
<b>Regent Villas</b>	Social Housing	Weltevreden Valley	164
<b>Maitland Mews</b>	Social Housing	Maitland	204
<b>Goodwood Station Phase 1</b>	Social Housing	Goodwood	331

**Table 29: Social housing projects completed**

Table 30 below illustrates the social housing projects across the city that are currently under construction.

PROJECT NAME	PLANNED TYPOLOGY	PROJECT LOCATION	PLANNED UNITS
Conradie Park Phase 2	Social Housing	Pinelands	659
Goodwood Station Phase 2	Social Housing	Goodwood	724

**Table 30: Affordable housing projects under construction**

Table 31 outlines the Social Housing and Mixed-Market affordable housing projects that will be enabled by the Mayoral Priority Programme on Land Release. The respective projects are at various stages within the development life cycle and aim to create approximately 23 765 affordable housing opportunities with the short to medium term.

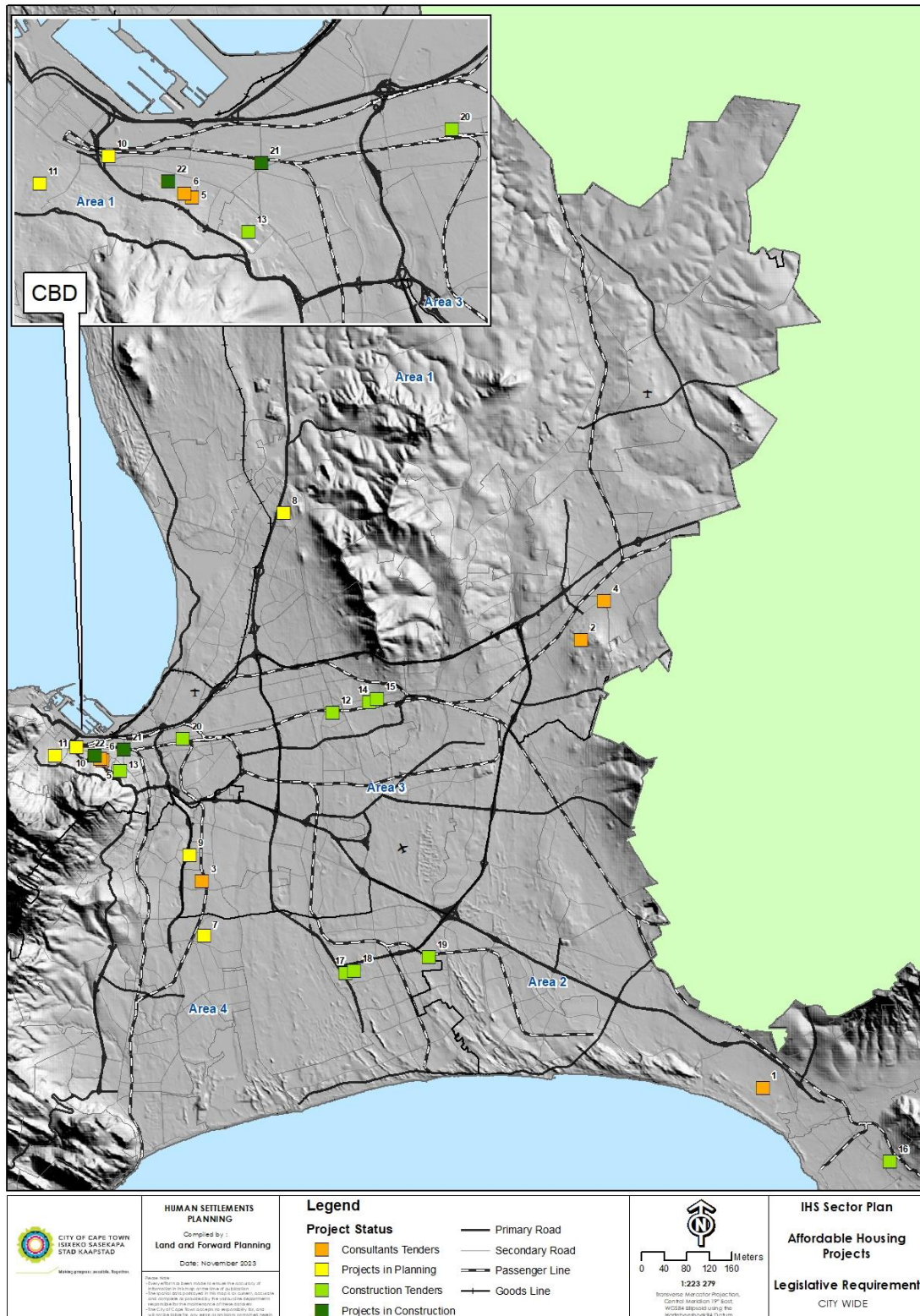
Project Name	Project Status	Proposed Typology	Project Location
Pine Road	Pre-Construction	Social Housing	Woodstock
Salt River Market	Pre-Construction	Mixed	Salt River
Parow Sub- Precinct 1	Pre-Construction	Social Housing	Parow
Parow Sub- Precinct 2	Pre-Construction	Social Housing	Parow
Pickwick	Pre-Construction	Mixed	Salt River
Maitland Boulevard	Pre-Construction	Social Housing	Maitland
Modus Vivendi	Pre-Construction	Social Housing	Elsies River
Somerset West	Pre-Construction	Social Housing	Somerset West
Regent Villas Ext 2	Pre-Construction	Social Housing	Weltevreden Va
Regent Villas Ext 3	Pre-Construction	Social Housing	Weltevreden Va
Montclair Mandalay	Pre-Construction	Social Housing	Mandalay
New Market Street	Land Release	Mixed	Foreshore
Fruit & Veg	Land Release	Mixed	Zonnebloem
Enslin Road Ottery	Project Packaging	Social Housing	Ottery
Lansdowne, Erf 62594	Project Packaging	Social Housing	Lansdowne
Mountain view	Project Packaging	Mixed	Brackenfell



<b>Eoan Way</b>	Project Packaging	Mixed	Scottsdene
<b>Annandale</b>	Project Packaging	Mixed	Annandale
<b>Paardevelei</b>	Project Packaging	Mixed	Somerset West
<b>Kromboom Road</b>	Project Packaging	Mixed	Rondebosch East
<b>Earl Street</b>	Project Packaging	Social Housing	Woodstock

**Table 31: Social housing opportunities to be created in the short term (2021 – 2025)**

The map below depicts the affordable housing projects to be created across the city for the short term. As illustrated on the map, the affordable housing projects are located within the urban inner core, in line with the City's MSDF spatial development principles.



Map 16: Spatial location of affordable 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. An Affordable Housing Policy is also under development, which aims to unlock City incentives for social housing and other affordable housing developments, 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 also forms part of the overall Affordable Housing Programme and refers to housing products targeting the gap market, which are 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.

The First Home Finance Programme or FLISP is one mechanism to assist households in purchasing a GAP housing product that typically varies between R300 000 – R900 000<sup>14</sup>. The subsidy can be used to:

- Buy an existing house / apartment.
- Buy a serviced residential site (i.e. plot with access to basic services - Applicants must be registered on the Western Cape Housing Demand Database).
- Build a house on serviced residential site, if the site was not acquired through a government-housing subsidy in the past. Note that your builder must be registered with the National Home Builders Registration Council (NHBRC) to ensure building and safety standards.

The FLISP subsidy provides first-time homeowners earning between R3 501 – R22 000 per month with a substantial housing subsidy on a sliding scale (ranging from R38, 878 – R169 264), to be used as a top-up alongside one of the following finance options:

- **Mortgage Loan:** An approved home loan. You can also apply retrospectively, i.e. if you purchased a residential property and it has been transferred into your name not longer than 6 months ago.

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<sup>14</sup> Centre for Affordable Housing Finance Africa

- **No fee or no interest loan:** An interest free loan from a lender e.g. any employer-assisted housing scheme; an unsecured loan; and stokvel, an employer, family member, etc.
- **Pension-backed loan:** A loan provided by a financial institution secured by your pension savings. Your pension fund and the financial institution must have entered into an arrangement.
- **Rent to Buy / Deferred ownership:** Agreement with your Landlord to purchase the property you have been renting. You should only apply for the subsidy at the point of purchase and you have secured the necessary finance to make the purchase.
- **No financial Contribution Required:** If the subsidy amount that you qualify for is equal to, or greater than, the purchase price of the property. The subsidy can also be used to cover transfer, bond registration costs, or a shortfall on the bond.
- **Cash:** From your own savings.

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 Infrastructure will continue to play a key role in supporting the FLISP application process and the City will endeavour to enhance its communication on the revised FLISP policy to the broader public.

Housing for the Gap Market is spearheaded by both the public and private sector; ranging from serviced sites to freestanding single storey to multi-storey apartment complexes. The typology form dictated by economies of scale, location, and market affordability. Housing for the gap market offering more often than not emerges from a mixed model/market project (BNG, Social Housing and open market). Notable selected projects to date in the city includes:

Project Name	Developer	Typology	Yield
Stellendale Village	Western Cape Government	Freestanding	140
Glenhaven Gap Housing	Private Sector	Multi-storey medium rise apartments (3-4 storey walk ups)	253
Blue Downs	City of Cape Town	Serviced Plots	219
Ilitha Park, Khayelitsha	City of Cape Town	Serviced Plots	91
Pelican Park Integrated Development	City of Cape Town	Single Storey semi detached	696
Scottsdene Housing Project		Freestanding, single storey	200
Conradie		Multi-storey high rise FLISP apartment	530

Housing for the Gap market developed by the City have historically been linked to broader greenfields housing projects developed in terms of serviced sites, the IRDP alongside BNG housing opportunities. In terms of the private sector and provincial projects, housing for the gap market have yielded favorable outcomes when it includes top structures and/or forms part of a larger mixed model development with the appropriate economies of scale (ref. list above). Echoing the ethos of the IDP and the Directorates' efforts towards developing a pipeline of housing for the gap market which is well located and integrated.

Thus a range of offerings are available for the Gap Market with the FLISP subsidy for the lower, medium and high tier income brackets of the gap market (Household income between R3500 and R22000). GAP housing can range from serviced sites, to low density freestanding, to higher density multi-storey developments. A pipeline of sites for development is in the process of being collated, in keeping with the Mayoral land release programme for affordable housing.

A gap housing approach which responds to the different forms of housing for the gap market is being developed, drawing lessons from past projects (public and private).

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. Through further analyses on housing demand projections, the next iteration of the Sector Plan will be able to provide insight into the estimated number of GAP housing opportunities to be developed within the short, medium and long term.

The project list below illustrates a provisional list of GAP housing projects for the short to medium term. This list is indicative of sites, which have already been reserved for Human Settlements, subject to technical investigation and release for development. Through the preliminary stages (ahead of release), various factors may emerge rendering the sites unsuitable for gap housing. Key factors and criteria for suitability includes, but not limited to location and accessibility, proximity to well-resourced neighborhoods, purchasing power of the intended market, and development return on investment or viability.

<b>PROJECT NAME</b>	<b>ESTIMATED YIELD</b>
<b>Woodstock Hospital Site</b>	575
<b>Stegman</b>	TBC
<b>Maitland Abattoir</b>	TBC
<b>Dido Valley &amp; Edward Avenue</b>	35
<b>Maroela South</b>	175
<b>Weltevreden Valley, Erf 2453</b>	665
<b>Atlantis, Erf 5969</b>	TBC
<b>Robinvale</b>	370
<b>Beacon Hill</b>	370
<b>Colorado Park, Highlands Drive</b>	300
<b>Lentegeur, Erf 28071</b>	TBC
<b>Langeberg Road, Erf 3331</b>	TBC
<b>Protea Park</b>	605
<b>Saxonsea – Ptn of 2742-Re</b>	12

<b>Atlantis, Erf 7299</b>	TBC
<b>Darwin Road</b>	TBC
<b>Belhar, Erf 24609</b>	520
<b>Solole, CA 951-39</b>	TBC
<b>Blueberry Hill</b>	728
<b>Vlakteplaas</b>	1600
<b>Pelican Park Phase 2</b>	380
<b>Fairdale</b>	TBC
<b>Bellville, Erf 26399 &amp; 14150</b>	TBC

**Table 32: Anticipated GAP housing projects for the period 2023/24 – 2026/27**

#### **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.

- **Affordable Housing Policy development**

The City is developing an Affordable Housing Policy, which will aim to incentivise the development of affordable housing by the private sector – encompassing traditional private developers as well as social housing institutions. 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**

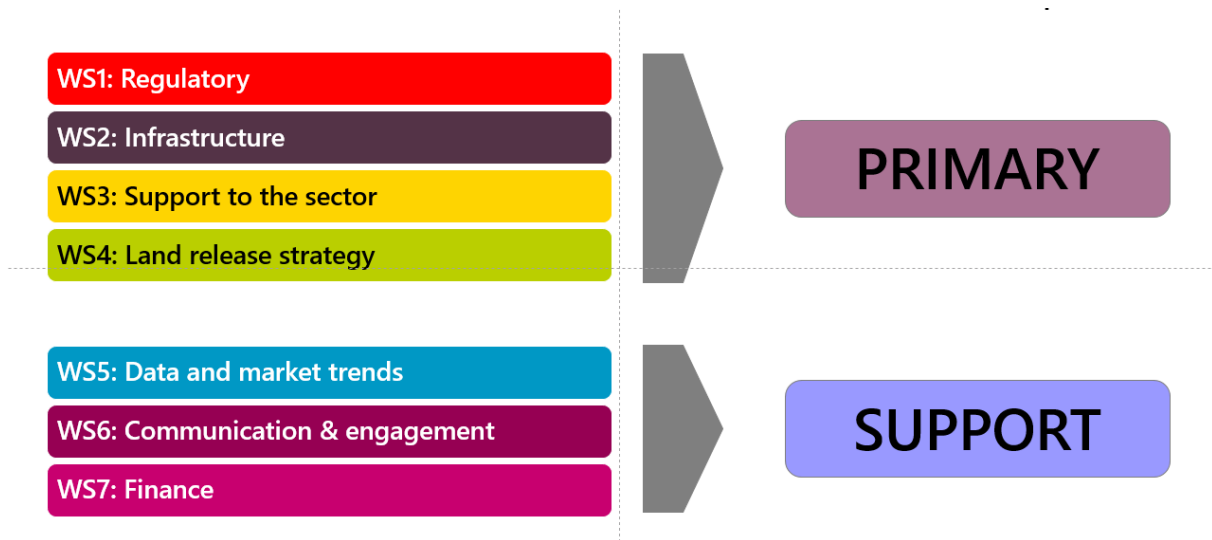
Mixed-market models refer to affordable housing developments that are cross-subsidised by market rate units (mixed incomes) and/or other uses (e.g. retail or commercial). These models can include government-subsidised housing programmes, or consider various incentives (including state-owned land) to 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. This model will be tested within the Salt River Market housing development that is currently in the construction phase.

#### **- 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 m<sup>2</sup> to about 40 m<sup>2</sup> 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. As a result, seven working streams were established, each with a particular focus area towards refining and guiding this process. This initiative is in line with the Mayoral Programme on Land Release.



**Figure 21: Small-scale rental units and micro-developers' work streams**

#### **4.1.4. Public housing**

The City plays a key role in providing affordable rental housing within the metro and owns approximately 40 877 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<sup>15</sup>. The units deemed as non-saleable rental units are typically multi-storey blocks of flats as illustrated in table 33 and includes approximately 11 000 hostel beds and 12 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<sup>16</sup>. The table below provides an overview of the Public Housing Portfolio.

<sup>15</sup> As from 31 March 2022, in line with the Council-approved Allocation Policy: Housing Opportunities

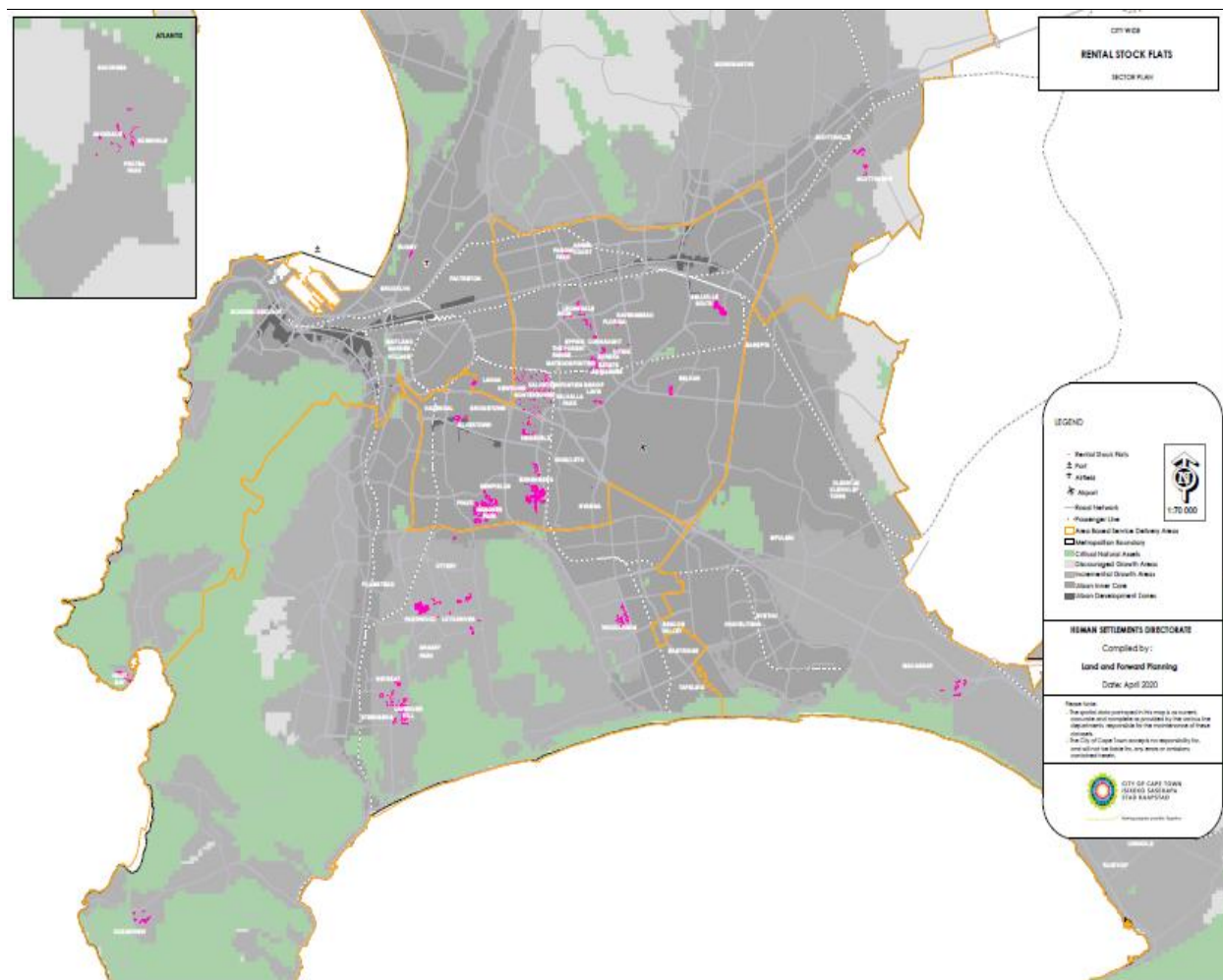
<sup>16</sup> National housing programme within the National Housing Code, 2009.

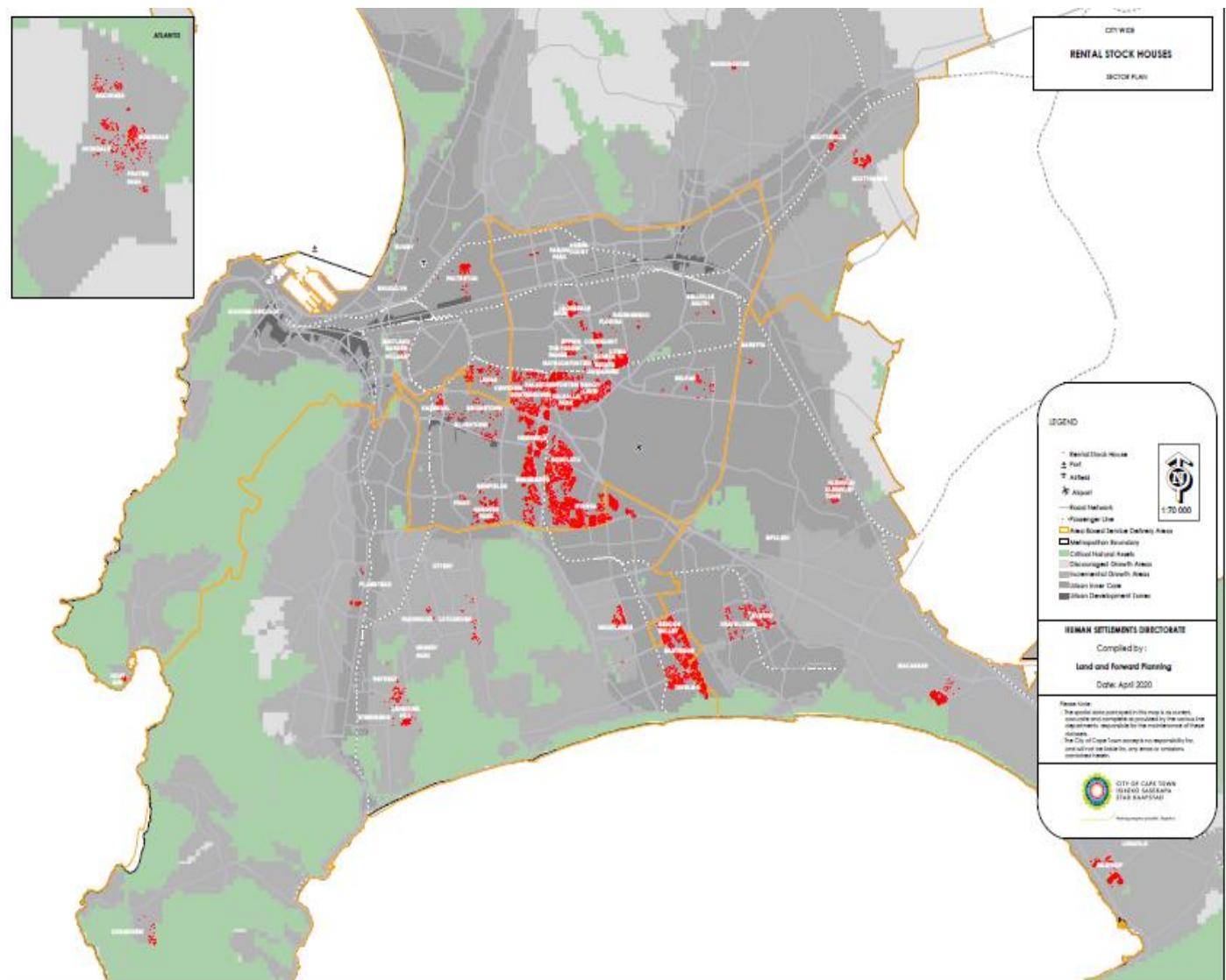


Primary income band (monthly household income)	Housing programme	Description of rental housing opportunity	Tenure	Number of units
R0 – R15 000 <sup>17</sup> (as from 31 March 2022)	Public housing implemented in terms of the national housing programme: CRU	Existing or newly built City-owned rental housing properties, which include the following: Multi-storey units (flats) Row houses Cottages Duplexes Hostels Pensioners' cottages	Non-saleable rental	34 500
		Primarily existing pre-1994, City-owned subdivided rental housing properties, which can be 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	±6 377

**Table 33: Public housing categories**

<sup>17</sup> Some tenants in saleable CRUs earn in excess of this income band. Surcharge rental applicable in these cases





Map 18: Location of City rental stock houses



**Figure 22: 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 bulk of the City's public rental housing was developed pre-1994 with the former national housing funds as part of the national housing programme. In recent years the CRU programme provided for capital grant funding for the construction of new rental units. The historically developed and new rental units form part of the City's Public rental housing portfolio. The City is the landlord of these assets and responsible for the management and maintenance thereof. The CRU programme does not make provision for an operational subsidy and therefore operational expenses must be recovered by means of cost recovery rentals.

As a landlord of approximately 40 877 rental units, the City is faced with various challenges specific to this role, which includes:

- human resource capacity constraints;
- a culture of non-payment
- 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 recent years intimidation and threats of extortion has occurred on upgrade and maintenance projects

The tenancy management function is performed from 26 decentralised housing estate offices supported by 14 decentralised maintenance depots. In addition to the core functions linked to tenancy management and repairs and maintenance, the Public Housing Department is currently responsible for executing functions that are outside its core mandate, which relates to the management and maintenance of pensioners' cottages, early childhood development (ECD) centres and other non-residential properties. These functions were primarily inherited from historic administrations/ organisational structures and divert much-needed human and financial resources from their core functions.

#### 4.1.4.2. Public housing maintenance challenges

Table 34 below gives an indication of the saleable and non-saleable units (including hostel beds) located per City service area. The same capacity constraints experience in the tenancy management environment is also experienced in terms of skilled staff required for day-to-day repairs and maintenance.

Service area	Non-saleable rental stock	Hostel beds	Saleable	Total rental units per service area	DEPOT
					Per region
Region 1	7 712	9 028	1 716	18 456	3
Region 2	9 959	0	1 085	11 044	3
Region 3	8 865	6 523	1 086	16 474	3
Region 4	7 964	2 692	2 490	13 146	4
<b>Total per rental units</b>	<b>34 500</b>	<b>18 243</b>	<b>6 377</b>	<b>59 120</b>	<b>13</b>

**Table 34: Number of rental stock and maintenance depots per service area**

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 35 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.

	Total number of vehicles	Vehicles out of commission	Available vehicles
Upgrades and maintenance	125	20	105
Tenancy management	31	0	29

**Table 35: Public housing fleet capacity**

#### **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 R7 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.

INCOME	PERCENTAGE OF INCOME PAYABLE	MINIMUM ARRANGEMENT AMOUNT
R0 to R3 000	5 % with a minimum rental of R10	R25
R3 001 to R4 500	8%	R40
R4 501 to R7 500	10%	R60
For the purpose of income the cents value is disregarded except that the maximum income permissible is capped at R7 500.00.		

**Table 36: Indigent grant calculation**

##### **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-economic surveys**

Socio-economic 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 accordance with the current Four Regional model that is in one particular office site in each region 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) 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.

#### **d) 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 Corporation (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.

Consideration has also 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.

#### **e) 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 might include:

Example option 1:  Fully managed by PH	Example option 2:  Outsource upgrades and maintenance	Example option 3:  Hand over portfolio to external management agents	Example option 4:  Full alienation of the portfolio to private entities
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It is envisaged that the City will issue a request for proposals in this regard within the next five years.

#### **f) 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.



#### **g) 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 of the Public Housing Department in this regard include:

- creating a sense of shared ownership amongst tenants;
- purposeful and proactive stakeholder engagement and communication with tenants;
- 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;
- onboarding and buy-in of various role-players to the process; and
- embedding asset-based community development (ABCD) principles that includes unlocking a sense of ownership amongst the community, which in turn protects the assets.

#### **h) 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:

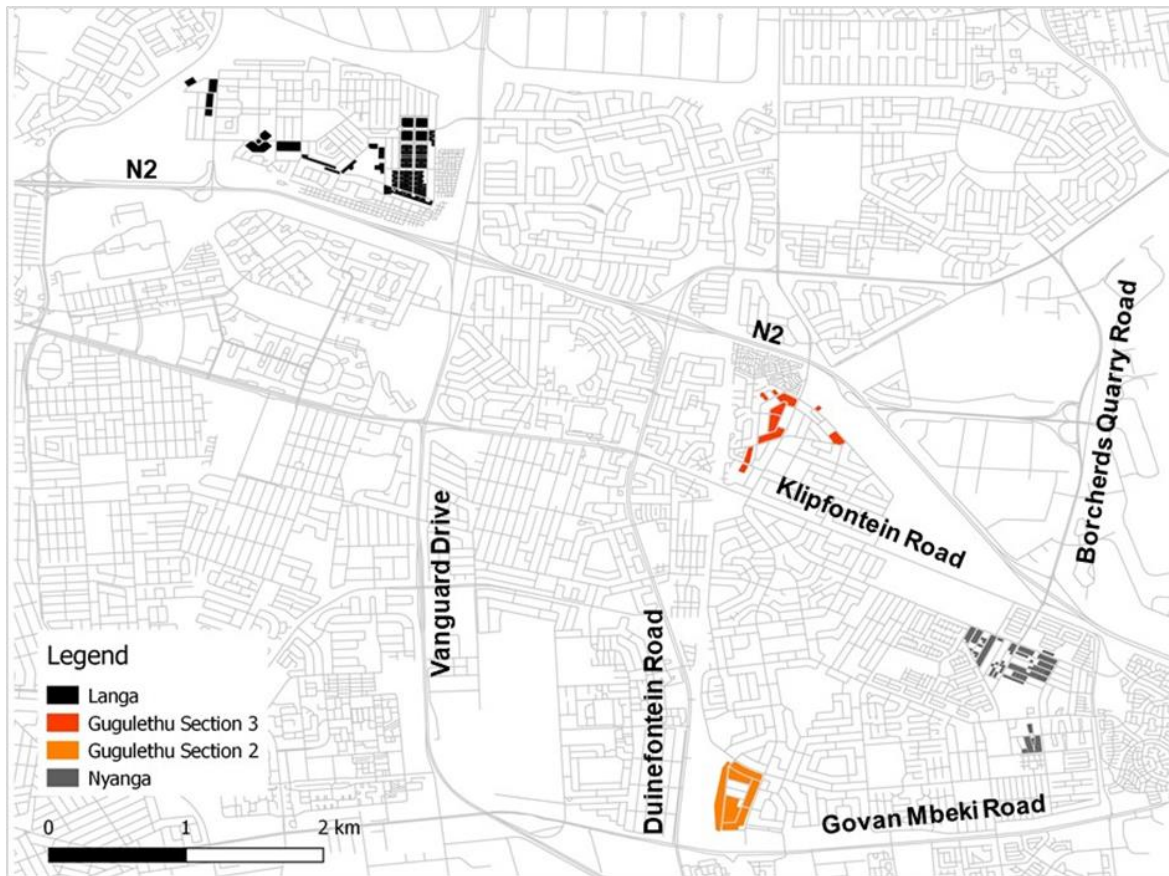
- Maintenance of the data of tenants residing in staff houses. As there is a high turnover of tenants residing in staff housing who terminate their services or change their conditions of employment with the City, ongoing monitoring is required.
- Develop a maintenance plan for staff housing properties that have not been formally transferred to a qualified tenant. For the remaining staff housing, this branch is required to develop maintenance norms and standards.
- 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.
  - 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. A staff housing policy will be developed to guide this process.

#### **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 19: 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 Nkomo 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 CBD, which is ideal for access to social and economic opportunities. The new rental units developed are all roughly 40 m<sup>2</sup> 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.



**Figure 23: 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 amendments, the Human Settlements Development Grant cannot be accessed 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 Infrastructure 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 it is 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’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 the following types of ‘areas of informality’ which assist in providing administrative clarity and finding the most suitable development pathway:

- 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.



**Figure 24: 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. 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.



**Figure 25: Informal settlement**

- 3) Informality at Public Housing (Rental stock settlements):** Areas of informality that are located on City-owned rental properties, e.g. amongst hostels or flats (backyarders). These are large numbers of backyarders/additional dwellings informal (ADIs), and form a large cluster of informality.





**Figure 26: Rental stock settlements**

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



**Figure 27: Private Informality Extended on Public Land (Backyarder settlement)**

- 5) Incremental development area (IDA) or relocation or reblocked areas:** Areas of informality that were developed with the aim of creating temporary or incremental opportunities by the City of Cape Town, Western Cape Government, or others. These developments require planning layouts, more formal service delivery, and is the first step towards formalisation.



**Figure 28: Incremental development area or temporary relocation area**

- 6) **Upgraded Township:** The government through legislative land use approval processes classify these settlements as part of the formal developed area, however the top structures are not completed. These settlements fall under normal municipal management processes to ensure that minimum standards are maintained during the planning and construction phases of the upgrading project. An example of this is Kalkfontein as illustrated in the figure below.

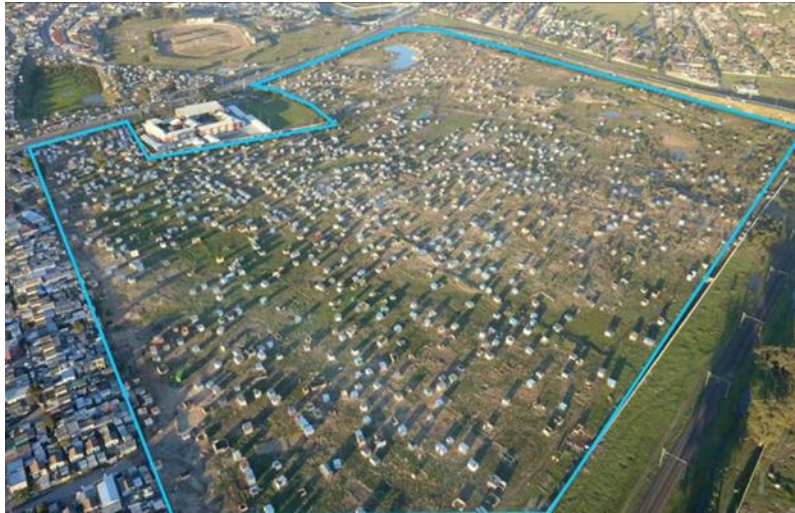


**Figure 29: Upgraded Township**

- 7) **New Settlement (to be assessed):** 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.



**Figure 30: New Settlement (to be assessed)**

Table 37 below gives a breakdown of the number of informal areas within the City and the estimated structure count as at December 2023. Currently, there are 828 informal areas within the City, which are categorised as follows.

Settlement Category	Number of Settlements	Number of Structures
<b>Backyarder Settlement</b> (Private Informality extended onto Public Land)	57	4069
<b>IDA/Relocation/Re-blocked</b>	43	13 255
<b>Informal Settlements</b>	635	243 714
<b>Rental Stock Settlements</b>	72	10 392
<b>Settlements to be investigated</b>	4	1 768
<b>Small Farmers/Rural Settlements</b>	16	3 182
<b>Upgraded Settlements</b>	1	55
<b>Total</b>	<b>828</b>	<b>276 435</b>

**Table 37: Number of informal areas and structure count within the City of Cape Town as at December 2023**

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 reblocking or other de-densification initiatives.

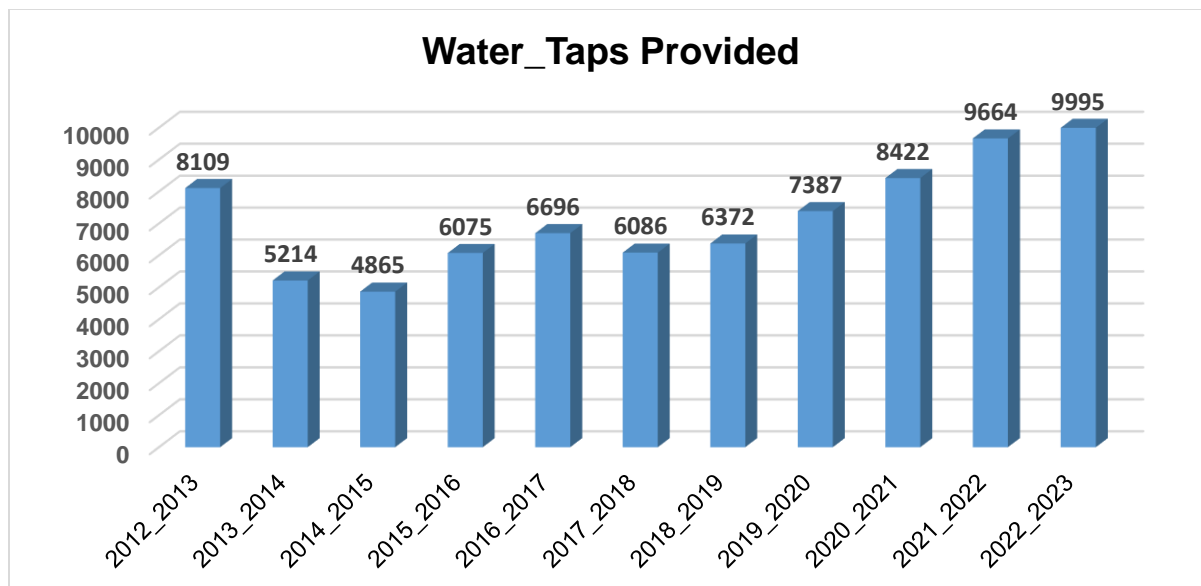
Improving access to basic services to informal households may include:

- additional taps and toilets;
- raising of platforms to obviate flooding;
- integrated environmental health service;
- communal ablutions and wash facilities;
- stormwater channels;
- greywater drainage;
- electrification infills;
- access roads; and
- appropriate buffers or firebreaks to reduce fire risks.

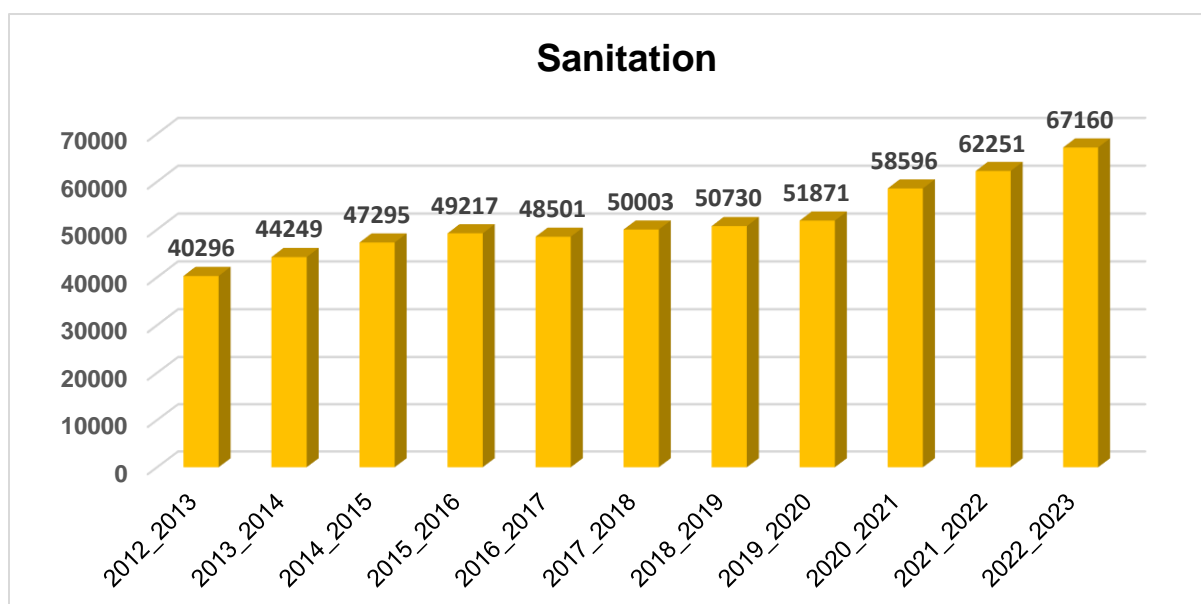
In order to provide full 1:1 services on a permanent basis for households in the informal settlements, there are certain preconditions to be met before installation can take place:

- 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 31: Basic service provision (water taps) within informal settlements over the period 2012/13 – 2022/23**



**Figure 32: Basic service provision (sanitation) within informal settlements over the period 2012/13 – 2022/23**

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 a 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 prefeasibility and feasibility 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.
- **Reblocked** – settlements that can potentially be reblocked 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 reblocking 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 while 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 floodline, 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. reblocking, 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.

<b>CATEGORY A – CONVENTIONAL FORMAL FULL UPGRADING</b>	<ul style="list-style-type: none"> <li>- Site is viable and appropriate for long-term upgrading</li> <li>- Project is implementation ready (i.e. UISP type projects)</li> <li>- Settlement is located on land owned by the City</li> <li>- There is no immediate risk (flooding, powerlines, etc.)</li> </ul>
<b>CATEGORY B1 – INTERIM BASIC SERVICES</b>	<ul style="list-style-type: none"> <li>- Settlement can be upgraded in the future but would require de-densification as phase 1 to an adjoining or nearby vacant land parcel</li> <li>- Site is viable and appropriate for long-term upgrading (land, bulk service, topography, environmental, geotechnical, all in order) <b>BUT</b></li> <li>- 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)</li> <li>- Settlement is located on land owned by the City</li> <li>- Density of settlement requires de-densification to provide space for sites, services and access</li> <li>- There is no immediate risk (flooding, powerlines, etc.)</li> </ul>
<b>CATEGORY B2 - EMERGENCY BASIC SERVICES</b> (eventual relocation when time and resources permit)	<ul style="list-style-type: none"> <li>- Site NOT viable for long-term upgrading <b>BUT</b></li> <li>- No urgent need for relocation (e.g. material and immediate threat to safety through flooding, slope instability, toxic waste exposure, etc.)</li> <li>- Density of settlement requires de-densification to provide space for sites, services and access</li> <li>- Settlement partially located in road or rail reserve, servitude or in future public transport route</li> <li>- There is no immediate risk (flooding, powerlines, etc.)</li> </ul>
<b>CATEGORY C – FULL RELOCATION</b>	<ul style="list-style-type: none"> <li>- Site NOT viable and appropriate for long-term upgrading <b>AND</b></li> <li>- Urgent need for relocation, e.g. material and immediate threat to safety through flooding, slope instability, toxic waste exposure, etc.)</li> <li>- Relocation destination available (either in-situ upgrade of greenfields projects with unallocated sites <b>OR</b></li> <li>- 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.</li> <li>- Settlement located in servitude, road reserve, rail reserve or future public transport route</li> <li>- There is an immediate risk associated with the settlement, i.e. flooding, ponding, detention pond, powerlines, servitude, biodiversity core 1, very high density, etc.</li> </ul>

**Table 38: Informal settlement categories**



## 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 and 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 reblocking 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 40 below provides a summary of the upgrading of informal settlements initiatives planned for the short/medium term.

Upgrading of informal settlement initiative	Number of project for the period 2022/23 – 2026/27
Service sites 1:1	22
Super blocking	19
Reblocking/enhanced services	13
Basic services (water and sanitation)	21
Managed settlement programme	10
TRA/IDA 1:1	10
TRA/IDA 1:5	2
<b>Total</b>	<b>97</b>

Table 39: Summary of informal settlement initiatives to be developed over 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	Complete	440
Freedom Park UISP	Ottery	Complete	160
Backstage 1	Khayelitsha	Construction	250
Greater Enkanini	Khayelitsha	Detailed engineering design	8 000
Kalbaskraal	Grassy Park	Detailed engineering design	19
Village Heights	Lavender Hill	Detailed engineering design	730
Kampies	Lansdowne	Detailed engineering design	275
Bosasa Link	Mfuleni	Detailed engineering design	780
Mfuleni Ext 1	Mfuleni	Detailed engineering design	526
Shukushukuma	Mfuleni	Detailed engineering design	627
Mfuleni Central Dune	Mfuleni	Detailed engineering design	558
Erf 148 Philadelphia	Philadelphia	Detailed engineering design	19
Military Heights	Lavender Hill	Detailed engineering design	121
Garden City 2	Mfuleni	Detailed engineering design	201

<b>8ste Laan</b>	Valhalla Park	Planning	560
<b>Park Road</b>	Philippi	Feasibility/preplanning	TBC
<b>Victoria Mxenge Informal Settlements S section, VT, WB and YB section</b>	Khayelitsha	Feasibility/preplanning	TBC
<b>Mountain view</b>	Ocean View	Feasibility/preplanning	12
<b>Rietpoel</b>	Blue downs	Feasibility/preplanning	9
<b>Hilda Park</b>	Hout Bay	Feasibility/preplanning	TBC
<b>Beverly Hills</b>	Strand	Feasibility/preplanning	27
<b>Crossroads 16</b>	Crossroads	Feasibility/preplanning	54

#### Incremental Development - Super Blocking

<b>Informal settlement project</b>	<b>Area</b>	<b>Project phase</b>	<b>No of households</b>
<b>Imizamo Yethu IS Emergency Project</b>	Hout Bay	Complete	1 411
<b>Sweet Homes IDA &amp; UISP Phase 2</b>	Philippi	Construction	3 040
<b>Monwabisi Park (M Section)</b>	Khayelitsha	Detailed engineering design	TBC
<b>Barney Molokwana (BM) Section</b>	Khayelitsha	Detailed engineering design	2 600 existing dwellings 1 141 layout
<b>Monwood</b>	Philippi	Detailed engineering design	1411
<b>Doornbach UISP</b>	Milnerton	Planning	3 310
<b>School Site</b>	Dunoon	Feasibility/preplanning	631
<b>Barney Molokwana (BM) Section 2</b>	Khayelitsha	Feasibility/preplanning	tbc
<b>Greater Monwabisi Park remainder</b>	Khayelitsha	Feasibility/preplanning	tbc
<b>YAB Section</b>	Khayelitsha	Feasibility/preplanning	tbc
<b>Tsepe-Tsepe</b>	Khayelitsha	Feasibility/preplanning	tbc
<b>Fisantekraal</b>	Fisantekraal	Feasibility/preplanning	2174
<b>Lotus Park</b>	Philippi	Feasibility/preplanning	1449
<b>Marikana</b>	Philippi	Feasibility/preplanning	8320

<b>K2 Section</b>	Khayelitsha	Feasibility/preplanning	293
<b>Harry Gwala</b>	Philippi	Feasibility/preplanning	661
<b>KTC1</b>	Gugulethu	Feasibility/preplanning	1005
<b>SST (Ptn Silvertown)</b>	Khayelitsha	Feasibility/preplanning	TBC
<b>St Johns</b>	Wallacedene/Kraaifontein	Feasibility/preplanning	34

#### Incremental Development – Reblocking/ Enhanced Services

<b>Informal settlement project</b>	<b>Area</b>	<b>Project phase</b>	<b>No of households</b>
<b>Hida Park (Hangberg)</b>	Hout Bay	Construction	TBC
<b>Masi Fire and sports field</b>	Masiphumelele	Complete	TBC
<b>Wolwerivier Road Rehab</b>	Wolwerivier	Construction	TBC
<b>Sondela</b>	Mfuleni	Construction	330
<b>COVID-19 – Bloekombos</b>			TBC
<b>Mfuleni Ext 2 – sidewalks</b>			TBC
<b>Wallacedene TRA</b>	Wallacedene	Construction	TBC
<b>Citabatwe Crescent</b>	Victoria Mxenge, Khayelitsha	Planning	44
<b>Sikonanathi</b>	Gugulethu	Feasibility/preplanning	81
<b>Wag 'n Bietjie 2</b>	Strand	Feasibility/preplanning	128
<b>William &amp; Dorris</b>	Kraaifontein	Feasibility/preplanning	42
<b>Task Team 2</b>	Lwandle Strand	Feasibility/preplanning	110
<b>Iqwarhasashe Street</b>	Gugulethu	Feasibility/preplanning	TBC

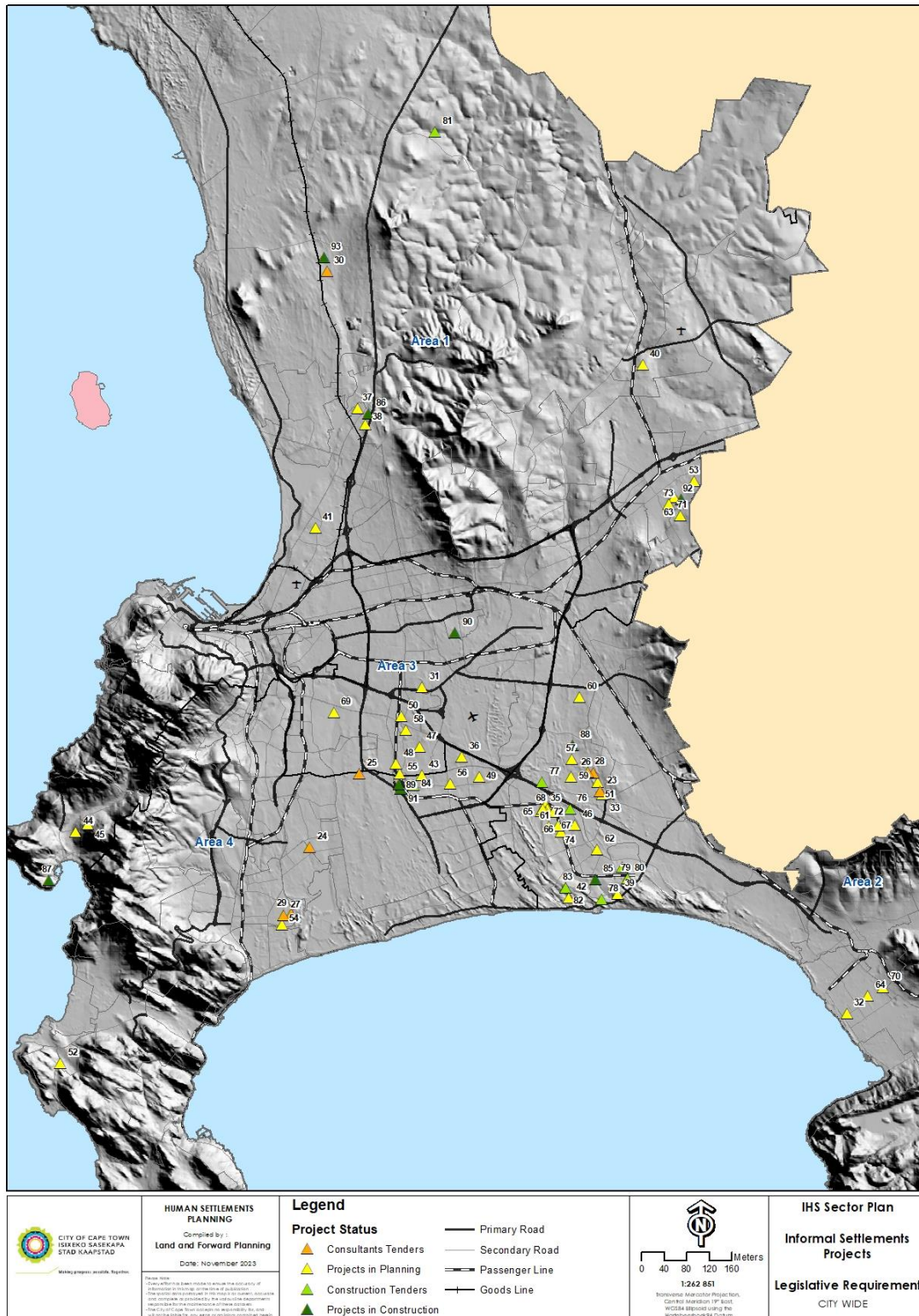
#### Incremental Development – Basic services (Water and Sanitation)

<b>Informal settlement project</b>	<b>Area</b>	<b>Project phase</b>	<b>No of households</b>
<b>Hida Park (Hangberg)</b>	Hout Bay	Construction	TBC
<b>Masi Fire and sports field</b>	Masiphumelele	Complete	TBC
<b>Wolwerivier Road Rehab</b>	Wolwerivier	Construction	TBC
<b>Sondela</b>	Mfuleni	Construction	330
<b>COVID-19 – Bloekombos</b>			TBC

<b>Mfuleni Ext 2 – Side walks</b>			TBC
<b>Wallacedene TRA</b>	Wallacedene	Construction	TBC
<b>Citabatwe Crescent</b>	Victoria Mxenge, Khayelitsha	Planning	44
<b>Sikonanathi</b>	Gugulethu	Feasibility/preplanning	81
<b>Wag 'n Bietjie 2</b>	Strand	Feasibility/preplanning	128
<b>William &amp; Dorris</b>	Kraaifontein	Feasibility/preplanning	42
<b>Task Team 2</b>	Lwandle Strand	Feasibility/preplanning	110
<b>Iqwarhasashe Street</b>	Gugulethu	Feasibility/preplanning	TBC
<b>Incremental Development – Managed Settlements</b>			
<b>Informal settlement project</b>	<b>Area</b>	<b>Project phase</b>	<b>No of households</b>
<b>Witsands</b>	Atlantis	Feasibility/preplanning	TBC
<b>Leonsdale</b>	Elsies River	Planning	TBC
<b>Block Macassar</b>	Macassar	Feasibility/preplanning	TBC
<b>Lotus River</b>	Lotus River	Feasibility/preplanning	Approx 327
<b>Portion Enkanini South</b>	Khayelitsha	Feasibility/preplanning	TBC
<b>Portion Bosasa Link</b>	Mfuleni	Feasibility/preplanning	TBC
<b>Ocean View</b>	Kommetjie	Feasibility/preplanning	TBC
<b>Wallacedene farm - 221</b>	Kraaifontein	Feasibility/preplanning	TBC
<b>Slangetjebos</b>	Retreat	Feasibility/preplanning	TBC
<b>Royal Road</b>	Maitland	Complete	20
<b>Green Field Developments - TRA/IDA 1:1</b>			
<b>Informal settlement project</b>	<b>Area</b>	<b>Project phase</b>	<b>No of households</b>
<b>Enkanini South TRA</b>	Khayelitsha	Construction	2500
<b>Bosasa IDA Ext</b>	Mfuleni	Feasibility/preplanning	TBC
<b>Ravensmead (AKA Sweet Lips IDA)</b>	Ravensmead	Complete	50

<b>Sweet Homes Farm IDA</b>	Philippi	Construction	300
<b>IY Phase 3</b>	Hout Bay	Detailed engineering design	TBC
<b>Block Macassar</b>	Macassar	Feasibility/preplanning	41
<b>Wolwerivier Extension</b>	Cape Farms	Detailed engineering design	TBC
<b>Dark City</b>	Strand	Feasibility/preplanning	22
<b>Gaza Leonsdale</b>	Goodwood/Elsies River	Feasibility/preplanning	113
<b>Umbashe Street 2 &amp; Itsitsa Street</b>	Mfuleni	Feasibility/preplanning	Umbashe Street 2: 5 Itsitsa Street: 8
<b>Green Field Developments - TRA/IDA 1:5</b>			
<b>Informal settlement project</b>	<b>Area</b>	<b>Project phase</b>	<b>No of households</b>
<b>Masi sports field</b>	Noordhoek	Complete	TBC
<b>Uitsig/Epping Market</b>	Epping	Feasibility/preplanning	TBC

**Table 40: Informal settlement project pipeline for the short to medium term**



Map 20: Spatial location of informal settlement 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 few 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 interchange 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 settlements programme (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 MSP 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.

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

- Extension 1, Mfuleni: A percentage of the site to be made available for MSP, but community engagement still unfolding with the receiving community. In process of obtaining land use rights (LUMS approval).
- Enkanini South: This MSP project is estimated to yield 1 000 opportunities and intended to assist the ULO needs from the housing projects affected in the Khayelitsha area. This project has received capital budget for construction. The EIA approval was obtained in 2022. Finalisation of engineering designs aimed for November 2022 – January 2023. Construction started in February 2023. Anticipated value for this project is R35m over two financial years.
- 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.)

Lesson learned thus far indicates that the MSP approach is not very well received by host communities (NIMBY reaction), thus posing a challenge for the huge scale rollout of this approach across the City. The provision of emergency relief for established areas seems to be better received, thus creating a window of opportunity for the City to build on this programme.

#### **4.1.5.3. Response to evictions and cases of emergencies**

Emergency housing situations arise for various reasons and this is dealt with in detail in the National Housing Code, 2009 under the Emergency Housing Programme. This Programme is instituted in terms of section 3(4) (g) of the National Housing Act 1997, and its aim is to provide temporary relief to people in defined emergencies which includes amongst others natural disaster, residents living in dangerous conditions and those who will be rendered homeless due to evictions. The Constitutional footprint related to the right of access to adequate housing extended to the common law of eviction, through progressive legislation, in the form of the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act 19 of 1998 (PIE). The Act places a huge responsibility on a municipality by providing alternative accommodation to those who will be rendered homeless due to evictions – whether private and public evictions. Displacement of persons due to private evictions, especially within the inner City, has become a common occurrence over recent years, thus resulting in the imminent need for housing. Desktop research suggest that approximately 80% of evictions is initiated by private landlord vs 20% from the City/State. However the number of households to be accommodate are more originating from city eviction processes due to unlawful land occupations.

Within the context of Cape Town's housing needs and volatile housing security, this definition of an emergency proves to be extensive; placing wide-spread responsibilities of housing provision upon the City. 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. This includes access to suitable land, funding and suitable housing typologies. It is therefore important that the City takes into account its available resources to assist in prioritising the City's responses in order to have greatest impact, assist the widest diversity of people, and effectively partner with other organisations in an attempt to assist persons who are destitute, in desperate need and crisis situations beyond their control.

When incidents such as flooding and fires partly or totally destroy informal structures occupied by households in informal settlements and in backyards, the City provides relief measures in various forms to assist the affected households. One such measure is to provide the affected households with housing kits to re-construct or construct shelters. In 2014 Council approved a framework which guides the provision of the housing kit in cases of fires and floods. Through previous agreements with the relevant government departments, the housing kits were funded via the HSDG, however due to the mounting pressure to deliver top-structures to response to the every growing housing demand, this funding arrangement has been discontinued. The National Department of Human Settlements instead established an Emergency Housing Grant (EHG), but application to utilised this grant can only occur when a disaster is declared in terms of the Disaster Management Act 57

of 2002. The National Department of Human Settlements centralized the EHG as from 31 March 2023 and issued guidelines on how their department will directly respond to incidents of fires and floods. This includes conducting assessments, procurement and delivery of material to the affected community. The EHG application in its current form is therefore not proactive, instead the application is based on a reactive approach i.e. post disaster which suggest that municipalities cannot adequately plan for future emergency situations. Furthermore, the centralization of this function to respond to the urgency of a natural disaster/fire or floods seems counterintuitive.

The level of uncertainty within the national policy and funding environment, together with the increase request for alternative accommodation due to unlawful land occupation and private evictions, places immense strain on the City as it relates to its response to Emergency Housing. The City has identified the limitations within the national policy and funding regime and has advocate for legislative and policy change via the recently release Human Settlements White Paper in order to better respond to the various emergency housing situations. Furthermore, 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 situations where imminent housing is required, in particular urban evictions.

#### **4.1.5.4 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 properties.

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.

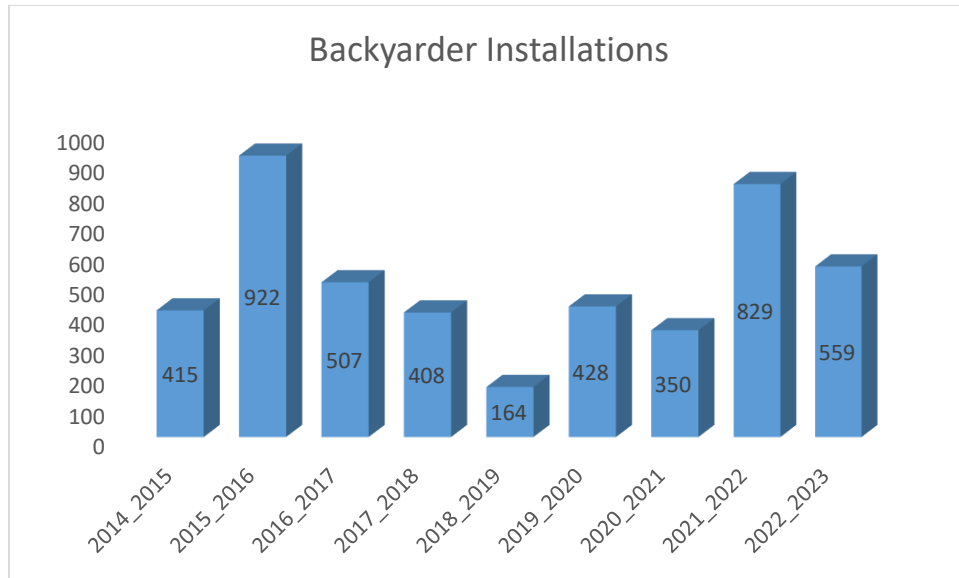
The services provided in the backyarder project include:

- 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 2022/23 are illustrated in the table below:



2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
415	922	507	408	164	428	350	829	559	4582

**Table 41: Backyarder installations for the period 2014/15 – 2022/23**

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:

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

**Table 42: Beneficiary areas of backyarder services**

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 11 000 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 Infrastructure 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:

Project name	Location
Happy Valley	Blackheath
Makhaza E, C, W	Khayelitsha
Masijongane	Blackheath

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

**Table 43: Ownership Regularisation Programme project list**

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 subsidised 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. 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, delayed transfer properties<sup>18</sup>, and

<sup>18</sup> Delayed transfer properties refer to national- and Council-funded houses that were sold to purchasers on a loan basis predominantly pre-1994 and includes rental units sold to beneficiaries on a cash basis but transfer of ownership at the Deeds Office is outstanding.

historic serviced sites, thereby promoting empowerment for eligible tenants and prospective owners. 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 and prospective owners
- To capacitate beneficiaries to become responsible and proud homeowners

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 prospective owners are reluctant to accept transfer of ownership – ranging from being unable to afford the transfer costs, concerns over the current condition of the saleable 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 qualifying beneficiaries to accept transfer of the saleable rental units, delayed transfer property, historic serviced site 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 beneficiary, therefore deviating from the provision of the EEDBS. The legal opinion obtained advises that the City may sell its public housing units to beneficiaries at no cost, but subject to approval by the Western Cape Provincial Minister responsible for Human Settlements and/or the national Minister of Human Settlements to deviate from the EEDBS provision.

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).

#### **4.1.6.3 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)

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.

#### **4.1.6.4. 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 have been drafted to assist officials with the implementation of the Allocation Policy principles.

- *Affordable Housing Policy*

The Affordable Housing Policy is an amalgamation of two existing policy development processes – that of the Social Housing Policy and the Inclusionary Housing Policy – and supports the implementation of the Mayoral Priority Programme on Land Release for Affordable Housing.

The Affordable Housing Policy will outline the City of Cape Town's approach to enabling the increased supply of well-located affordable homes for lower- to moderate-income households. It will consider how the City can use a range of levers at its disposal to catalyse the supply of additional affordable housing stock – on both City and private land – by reducing development-related costs and, thus, the costs that are passed on to households living in affordable housing. Considering the dearth of affordable housing products on the market, increasing supply is a critical outcome of this policy. The policy will encourage densification and compact City principles, and will encourage the production of affordable housing in a way that reduces spatial inequality and ensures access to areas of opportunity for households. The policy will also outline how the City will partner with the private sector to scale up the supply of affordable housing.

The policy will cover affordable housing developed by:

- Government grant-funded programmes, specifically the Social Housing Programme and First Home Finance on City or private land
- Mixed-market models (mixed-use and/or mixed-income developments) utilising elements of government grant-funded programmes on City or private land

- Affordable housing development on private land, and implemented through inclusionary housing

The Policy aims to provide transversal organisational clarity and guidance for the unlocking of incentives and City processes to support the above. Alternative partnership models with the private sector within the scope of government legislated processes will also be outlined where necessary.

#### - *Backyarder Framework*

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. Due to the nuanced nature of backyarding and the creation of small-scale rental units, further transversal debate is required to inform a City policy response.

#### **4.1.6.5. 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                                 | • Media              |
| • Subcouncil meetings                   | • Housing committees |
| • General ward committees               | • General public     |
| • Religious groups                      | • Visitors           |
| • Stakeholders                          | • Schools            |
| • Community structures                  | • 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 Infrastructure 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.

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	Construction	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	Complete	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
<b>Total</b>				<b>36 663</b>

**Table 44: Provincial housing projects for the period 2020/21 – 2025/26**

## 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 46 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 47 and 48 respectively.<sup>19</sup> 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.

Funding Source	Department	Actuals	Approved		Planned		
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
USDG	Housing Development	373 936 820	276 813 041	336 510 972	304 638 669	463 895 508	493 974 786
	Human Settlements Planning	20 516 858	31 165 461	41 207 028	81 753 489	34 317 798	33 383 329
	Informal Settlements	33 000 000	19 000 000	19 000 000	19 000 000	93 000 000	19 000 000
	<b>Total</b>	<b>427 453 677</b>	<b>326 978 502</b>	<b>396 718 000</b>	<b>405 392 158</b>	<b>591 213 306</b>	<b>546 358 115</b>
ISUPG	Housing Development	34 985 023	36 740 824	93 925 000	99 405 000	25 585 683	-
	Human Settlements Planning	-	71 740 000	22 569 007	-	-	-
	Informal Settlements	333 975 499	277 153 758	294 153 800	304 257 447	406 022 865	430 600 000
	<b>Total</b>	<b>368 960 522</b>	<b>385 634 582</b>	<b>410 647 807</b>	<b>403 662 447</b>	<b>431 608 548</b>	<b>430 600 000</b>
HSDG	Housing Development	278 218 156	339 182 997	239 950 026	330 900 000	187 864 125	77 500 000
	Informal Settlements	19 389 999	12 000 000	30 000 000	30 000 000	-	-
	<b>Total</b>	<b>297 608 154</b>	<b>351 182 997</b>	<b>269 950 026</b>	<b>360 900 000</b>	<b>187 864 125</b>	<b>77 500 000</b>
<b>Total Grant Funding</b>		<b>1 094 022 353</b>	<b>1 063 796 081</b>	<b>1 077 315 833</b>	<b>1 169 954 605</b>	<b>1 210 685 979</b>	<b>1 054 458 115</b>

**Table 45: MTREF total grant funding allocation for Human Settlements Directorate**

<sup>19</sup> This budget will be subject to change in line with the latest Council-approved budget for the 2023/24 financial year.

Funding Source	Department	Actuals	Approved				Planned	
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
USDG	Housing Development	359 936 820	215 422 631	254 676 960	240 638 669	445 469 343	475 548 621	
	Human Settlements Planning	20 516 858	31 165 461	41 207 028	81 753 489	34 317 798	33 383 329	
	Informal Settlements	33 000 000	19 000 000	19 000 000	19 000 000	93 000 000	19 000 000	
	<b>Total</b>	<b>413 453 677</b>	<b>265 588 092</b>	<b>314 883 988</b>	<b>341 392 158</b>	<b>572 787 141</b>	<b>527 931 950</b>	
ISUPG	Housing Development	34 985 023	36 740 824	93 925 000	99 405 000	25 585 683	-	
	Human Settlements Planning	-	71 740 000	22 569 007	-	-	-	
	Informal Settlements	309 938 137	248 493 258	264 206 200	304 257 447	406 022 865	430 600 000	
	<b>Total</b>	<b>344 923 160</b>	<b>356 974 082</b>	<b>380 700 207</b>	<b>403 662 447</b>	<b>431 608 548</b>	<b>430 600 000</b>	
<b>Total Capital Grant Funding</b>		<b>758 376 837</b>	<b>622 562 174</b>	<b>695 584 195</b>	<b>745 054 605</b>	<b>1 004 395 689</b>	<b>958 531 950</b>	

**Table 46: MTREF capital grant funding allocation for Human Settlements Directorate**

Funding Source	Department	Actuals	Approved				Planned	
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
USDG	Housing Development	14 000 000	61 390 410	81 834 012	64 000 000	18 426 165	18 426 165	
	<b>Total</b>	<b>14 000 000</b>	<b>61 390 410</b>	<b>81 834 012</b>	<b>64 000 000</b>	<b>18 426 165</b>	<b>18 426 165</b>	
ISUPG	Informal Settlements	24 037 362	28 660 500	29 947 600	-	-	-	
	<b>Total</b>	<b>24 037 362</b>	<b>28 660 500</b>	<b>29 947 600</b>	<b>-</b>	<b>-</b>	<b>-</b>	
HSDG	Housing Development	278 218 156	339 182 997	239 950 026	330 900 000	187 864 125	77 500 000	
	Informal Settlements	19 389 999	12 000 000	30 000 000	30 000 000	-	-	
	<b>Total</b>	<b>297 608 154</b>	<b>351 182 997</b>	<b>269 950 026</b>	<b>360 900 000</b>	<b>187 864 125</b>	<b>77 500 000</b>	
<b>Total Operating Grant Funding</b>		<b>335 645 516</b>	<b>441 233 907</b>	<b>381 731 638</b>	<b>424 900 000</b>	<b>206 290 290</b>	<b>95 926 165</b>	

**Table 47: MTREF operating grant funding allocation for Human Settlements Directorate**

## 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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