

Development Action Group



**A RESPONSE TO:
NOTICE OF PROPOSED DISPOSAL OF
PROVINCIAL STATE LAND TO THE PHYLLISS
JOWELL JEWISH DAY SCHOOL**

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ABOUT DEVELOPMENT ACTION GROUP

Established in 1986, Development Action Group (DAG) is a leading non-profit, non-governmental organisation working throughout South Africa to fight poverty and inequality, and promote integrated urban environments.

DAG supports communities in need of adequate housing to lead, and engage with, their own development by enhancing their capacity and resourcefulness. DAG's strategies support pro-poor urban development practice using community-based development to foster social cohesion and strengthen citizenship and democracy.

DAG influences state policy and practice through four functional areas: - research, advocacy and lobbying, partnerships and demonstration (projects). Critical partnerships with government, through a combination of policy advocacy and demonstration projects are central to DAG's strategies.

OUR VISION

The creation of human settlements through development processes which enable human rights, dignity and equity.

OUR MISSION

To create, implement and support opportunities for community-centred settlement development and to advocate for and foster a pro-poor policy environment which addresses economic, social and spatial imbalances.

OUR STRATEGIC OBJECTIVE

To demonstrate how working in partnership with citizens and other groups who share a pro-poor agenda can lead to creative and sustainable solutions that redress social, economic and spatial inequalities.

INTRODUCTION

1. This document sets out DAG's written representation in response to the proposed disposal of provincial state land ERF 1675 (an unregistered portion of ERF 1424 Sea Point) and remainder of Erf 1424 Sea Point
2. DAG views are informed by a vision shared by the City and Province for ***“A city that works with every resident, especially the poor, children, the disabled and the elderly, is more likely to be an equitable city”***.
3. DAG has been advocating for the property to be used for affordable rental housing in several discussion meetings about the site and these were attended by intergovernmental stakeholders during 2012-2014 period
4. We make the following general comments in the first instance:
 - Land, because of its unique nature and the crucial role it plays in human settlements, cannot be treated as an ordinary asset controlled by private interests and subject to the pressures and inefficiencies of the urban land markets.
 - Instead of releasing public land for development by private developers, the state has a responsibility to play an active role in mitigating the risks of downward raiding and market led gentrification through the provision of inner city affordable rental residential properties to be occupied by low income households, who are typically more dependent on public transport system already in place.
 - Processes of socioeconomic polarisation and social exclusion mark contemporary human settlements in South Africa and it is important to ensure that any proposed disposal of public land addresses the socioeconomic polarisation.
 - The government needs to seriously consider concerns and statements on how underutilised public land and buildings are vital in enabling and contribute towards the following:
 - i. New forms of urban governance, i.e. dedicated processes and spaces for all stakeholders to negotiate different development outcomes around inclusive development, sustainable development and economic growth.
 - ii. Provision of affordable housing, particularly the lower end of market through social rental housing.
 - iii. Partnership with private developers and social housing institutions to work towards provision of affordable housing options in the inner city.
 - iv. Promotion of mixed income, mixed use and appropriate densities which maximizes the use of land.
 - v. Prohibition of affordable housing options on the periphery of urban centres.
 - vi. All underutilised public land are subjected to greater scrutiny and more stringent conditions.
 - vii. Challenge current divisions between rich and poor, and the legacy of separate geographic communities based on race-based spatial planning.
 - viii. State not selling land, but rather investing in it smartly in order to recoup as much of the added value for the citizens who need it most.
 - ix. Social housing rental stock that secures the rights of lower income households in the area over the medium to long term.
 - In light of the above mentioned concerns, it is therefore argued that government should seriously consider the planned property use by prospective buyers in

comparison with the importance of other alternative uses such as a mix of affordable housing opportunities as specified by existing land use zoning schemes.

OBJECTIVE

- 1 The subsequent detailed comments seeks to highlight why strategic well located public land and buildings including the underutilised Tafelberg school site should not be disposed for short term financial gains but utilised to achieve the following:
 - a. demonstration of inclusive development that promote equality and diversity
 - b. public and private partnerships that strive to work towards provision of affordable housing options in the inner city
- 2 Though Cape Town's ever increasing diversity is well acknowledged as an opportunity, the mechanisms to ensure equality of opportunity for all are less effective. This submission also attempts to highlight DAG's concerns and opinions particularly on aspects where public engagement has been devoid in processes leading up to the planned decision.
- 3 Lastly, this submission also provides a brief outline on a series of recommendations, particularly, alternative process that DAG believes serve the best interest of the public in the long term.

DETAILED COMMENTS

DAG hereby criticises the proposed disposal of provincial state land ERF 1675 (an unregistered portion of ERF 1424 Sea Point) and remainder of Erf 1424 Sea Point for short term financial gains. In an ideal world, the management of public land and buildings should at all times be centred on transparency and public participation. Currently there are varied perceptions of what participation means and hence varied participation practices are often limited to consultation especially in the form of notices given in terms of the provisions of the Western Cape Land Administrative Act No 6 of 1998. In considering our position regarding the disposal of the state land and how best the organisation can provide a comprehensive representation, the following questions of clarity needs to be seriously considered by authorities and clearly communicated to all stakeholders:

- What is the primary reasons qualifying claims by the Department that it is reasonably necessary to sell the property? Is it economic, social, political, or some other reasoning driving the decision to dispose such valuable and strategic land?
- How did the Department saw it reasonably necessary that the said immovable property be disposed of by Government to the private sector for short term financial return instead of transferring the land to a public department mandated with driving housing delivery and spatial transformation?
- Should short term financial gains anticipated by the Provincial Department hinder the opportunity to implement long term inclusive developmental objective of the local government?
- How the disposal of such a strategic and well located public property is going to serve greater public good?
- Why selling the property now?

From our own standpoint, transparency and further public engagement in response to all of the questions raised above is necessary. DAG views are informed by a vision shared by City of Cape Town and the Province, “Making progress possible together” and this is inclusive of the interests of every resident, especially the poor, children, the disabled and the elderly. DAG strongly believes that public property, which is urban in character, with the potential to connect people of all walks of life to various places of socio-economic opportunities, carries with it a strategic value that must be fully realized for the maximum benefit of all.

While the act of disposing public land is not inherently anti-poor, the current government approach when it comes to disposal of public land tends to favour processes that work to price out the interests of the poor. The government needs to make sure that the sale of valuable public assets is an action of last resort. Instead, other alternatives that allow the government to maintain ownership of land should be given priority. Strategic public land and buildings like the Tafelberg site has potential to put a dent in the current affordability crisis if the state carefully reflects on various alternative ways to dispose public property. Some other alternatives worth exploring include land leasing and land swapping with interested local government department, (i.e. transferring ownership of land tracts in different parts of the city) so that the site is redeveloped in a socially-minded way.

The existing land use zoning description approved by the City of Cape Town in 2012 clearly demonstrate that the site in the eyes of local government planning officials is strategically sound with respect to the goals of social cohesion, access to transport and the city centre, proximity to economic opportunities, and high mixed-use development potential. Although not quite prescriptive enough, DAG believes that when local government policies and development frameworks increases density capacity of well-located public land parcels like the Tafelberg site, it is a clear sign that the local government intends to promote sustainable development of such properties. DAG further argues that the potential socio-economic implications of the site in question are wide ranging and cut across many of the aspects influenced by other local, provincial and national government policies and programmes. These ranges from unlocking vacant and underutilised public land and building to promote rental housing delivery in the inner city, poverty alleviation, reversing the apartheid spatial legacy, integration and addressing inequality among others.

The Constitution of South Africa obliges local government ‘to encourage the involvement of communities and community organisations in the matters of local government’ (Section 152.1.e) and that “People’s needs must be responded to, and the public must be encouraged to participate in decision-making” (Section 195.1.e). Additionally, two of the profound Batho Pele values are to regularly consult with the public and to increase openness and transparency. DAG believes that these vital two principles are to some extent compromised, particularly during the process leading up to the decision **on how the property is** disposed. It is only at this stage where the ordinary citizens and all the stakeholders are given a 21 day period to comment. **DAG strongly believes that process leading up to the decision on when and how public property is disposed** should rather be made more explicit to the public to guarantee meaningful participation. Limiting the first phase of discussion process internally and with limited number of stakeholders’ gives the impression that the representatives involved rightfully represents the interest of different sectors in society. Since we live in democracy, the process should have started first and foremost in considering the public views

and concerns on future use of underutilised public properties as a collective thus including the site in question.

In this particular issue, perhaps disposal of Tafelberg school site for financial gains is not a viable and preferred option if the broader range of stakeholders including the marginalised communities and civil society organisations had the liberty to debate on wide range of alternative options on how the property should be disposed. Therefore, public participation is seriously devoid in this process.

Regardless of whether the sites chosen are strategic, the sale of public land rightfully causes concern when conducted in the absence of explicit city policies to promote pro-poor development in affected areas. The government has a responsibility to pursue and or actively encourage specific socially beneficial land-use development when auctioning off public land to private investors. Mixed-income social housing is viable alternative land-use for site like Tafelberg School if the government is to commit itself to pro-poor development and the integration of communities still existing in a largely apartheid-era context. The government should at this stage explore several tools that could be used to encourage such land uses. The strongest tool at state disposal is the ability to mandate clear requirements that warrants a share of affordable housing units on any strategic property disposed by a government department. South Africa has strong social housing institutions and developers seeking to partner with the government to break down socioeconomic barriers through provision of affordable rental housing in the inner city. The site therefore provides an opportunity for a partnership towards pro-poor development that would further ongoing efforts to integrate the Mother City.

In conclusion, the disposal of public land is not in and of itself an action that works against the tenants of pro-poor development and socio-economic integration that we at DAG value. However, in this current South African context, the sale of public land without sufficient stakeholder participation and input, a conscious effort to redress the spatial inequity across the Cape metropolitan area, and the active promotion of socially desirable land use through regulations and incentives, is not be an option that the Government should consider. The current absence of active state involvement in safeguarding the spatial transformation objectives continues to prolong the socio-economic inequities of the current spatial form. DAG advocates for redevelopment of state owned land in ways that promote the values of participatory urban governance, inclusionary affordable rental housing, and pro-poor development in a city that we believe still needs to fully address the social, spatial, and economic inequalities that persist today.

While the more far reaching inputs in relation to the Notice of proposed disposal of provincial state land should be considered, given the elusive definite need to dispose the provincial state land in Sea Point, DAG recommends that the process be halted. More time is required for broader engagement to work out the detail of various alternative options that will yield long term socio-economic transformation for the City instead of short term financial returns with little or no spatial transformation at all.