



# COMMUNITY DIALOGUE



Human Settlements Sector Plan spells out  
huge changes in housing delivery

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**WHAT WILL THESE CHANGES MEAN FOR YOU?** ???

In early February, the City of Cape Town released the new Integrated Human Settlements Sector Plan (IHSP) for public comment. This plan describes a key shift in human settlements development for Cape Town. From now onwards, the City will prioritise the rapid land release/site-and-service programme. This will impact thousands of people on the housing waiting list.

## JOIN US TO DISCUSS

**WHEN: Thursday, 3 March, 17h00 - 19h00**

**WHERE: Online, MsTeams** (link to follow)

**RSVP:** Contact Zinzi by 16h00 on Wednesday to receive assistance with data costs.

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# COMMUNITY DIALOGUE

3 MARCH 2022



# Problem Statement

- ❖ **Policy shift** - huge consequences for majority on housing waiting list.
- ❖ **Where do we stand:** We accept that the policy shift is inevitable. We support the underlying principle. However, the absence of a policy or strategy makes it difficult to understand detail. The HOW is important!
- ❖ **Key concerns:**
  - Alternatives that the City are proposing are not working currently, i.e., EPHP, social housing, etc. Old approaches are not talking to communities' current realities and struggles
  - It appears that the City is repacking existing approaches
  - Reliance on private sector – places huge burden
- ❖ **What are we proposing?** What are we recommending to the City?
- ❖ **What about You?** Where do the communities feature in all of this? What spaces can be created for communities to engage?



An aerial photograph showing a stark contrast between a well-developed residential area and an informal settlement. On the right, a river flows through a lush green landscape with modern houses, manicured lawns, and swimming pools. On the left, a dense cluster of small, makeshift structures with corrugated metal roofs is situated on a hillside. A white banner with black text is overlaid across the center of the image.

**POLICY SHIFT: PRIORITISATION OF SITE-AND-SERVICE**

National & WC DHS  
Communication To  
Stakeholders On 9  
February 2021

❖ Describes “New Directives” received from NDHS effective from 1 April 2021:

Need to downscale on delivery of top structures and prioritize delivery of serviced sites.

4 Prioritized Categories (National): **Elderly, Military Veterans, Persons with disabilities, Child Headed Households**

The Province added its existing priority categories of “**Backyard**” residents and **Persons longest on the waiting list.**

❖ The communication includes, among others:

Department is developing a **new Housing Delivery Model for roll-out in 2021-22 FY** (enhanced service sites instead of the top structure approach)

Department is drafting a **land acquisition and land release strategy for rapid release** of land in the form of serviced sites. Municipalities are required to develop a Human Settlement Land Assembly Programme...

# Prioritisation of Site-and-Service

- ❖ **National Housing Act 107 of 1997:** All municipalities must **plan to facilitate** the delivery of housing opportunities as **part of their overall plan** for their municipality
  
- ❖ Aim of the Sector Plan:
  - ❑ Outlines the City's **implementation plan** in providing for the housing needs of its citizens
  - ❑ Outlines the **vision and strategies** of the City towards urban development and place-making through housing provision
  
- ❖ The Plan is being developed as a component of the City's **Integrated Development Plan (IDP)**
  - ❖ Human Settlements contribution to the CoCT's IDP, 2022 – 2027



# Prioritisation of Site-and-Service

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*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 have 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, disabled and proven military veterans)** and overtime provinces and municipalities must **scale down on the delivery of top structures** (IHSP, pp.36).*

*Of the **359 277 applicants** registered on the City's Housing Needs Register awaiting a housing opportunity, **1 590 has a disability status** while **26 513 are over the age of 60**. This suggest that for the vast majority of applicants the BNG housing programme will not be the suitable housing solutions (IHSP, pp.36).*

# Prioritisation of Site-and-Service

*Table 21 : Envisaged BNG housing opportunities for the short term*

Housing Intervention	2022/23		2023/24		2024/25		2025/26		2026/27	
	Serviced site	Top-Structure	Serviced site	Top-Structure	Serviced site	Top-Structure	Serviced site	Top-Structure	Serviced site	Top-Structure
BNG	2 800	2 400	4 000	2 200	7 100	2200	8400	2200	5500	2200



An aerial photograph showing a stark contrast between a well-maintained residential area and a dense informal settlement. On the right, a river flows through a landscaped neighborhood with modern houses, green lawns, and paved roads. On the left, a large area of tall, dry grass is partially covered by a tightly packed cluster of small, makeshift structures with various colored roofs. A white banner with black text is overlaid across the center of the image.

**THE DETAILS: KEY CONCERNS...**

# Policy Shift: Prioritisation of Site-and-Service

- **Policy direction has possibly far-reaching consequences** – potential to fast-track access to land for landless and households in desperate need of secure tenure and decent accommodation.
- No **draft policy** or document outlining the details of the programme have been publicly shared
- Raises several **legal questions** that government must respond to:
  - 1) the status of the directive as a legally binding document
  - 2) how the rapid land release programme relates to / interact with the national Housing Code
- All the signs indicate that there is a **policy in the making**, despite civil society and communities thus far having had limited to no involvement in its development.



# Prioritisation of Site- and-Service

- **Location:** Will government going for the easiest and cheapest land parcels, and in that way continue to perpetuate the spatial inequalities present in our city? What will be different?
- **Financing mechanisms and affordability:** What type of support, financial or otherwise, will the government give to beneficiaries of the site and service programme?
- **Tenure security:** How will municipalities be capacitated to administer differentiated forms of tenure security, i.e., letters of occupancy, lease agreements or certificates of occupation? National reform needed?
- **Title deed registrations:** How will municipalities be equipped to overcome current challenges and manage innovation?



# Enhanced People's Housing Process (EPHP)

## PHP

*The People's Housing Process (PHP) was a community-driven (self-help) housing mechanism where the state provided a capital subsidy for households with a combined monthly income of less than R3500.*

*The **government** played a purely **facilitative role** by **providing finance** (for construction and technical support), **infrastructure and services**, by ensuring **access to land** and by **regulating PHP delivery**.*

## EPHP

*The PHP policy underwent a review process which identified the benefits of PHP and the institutional blockages it faced. A new policy was developed, named the **Enhanced People's Housing Process programme**.*





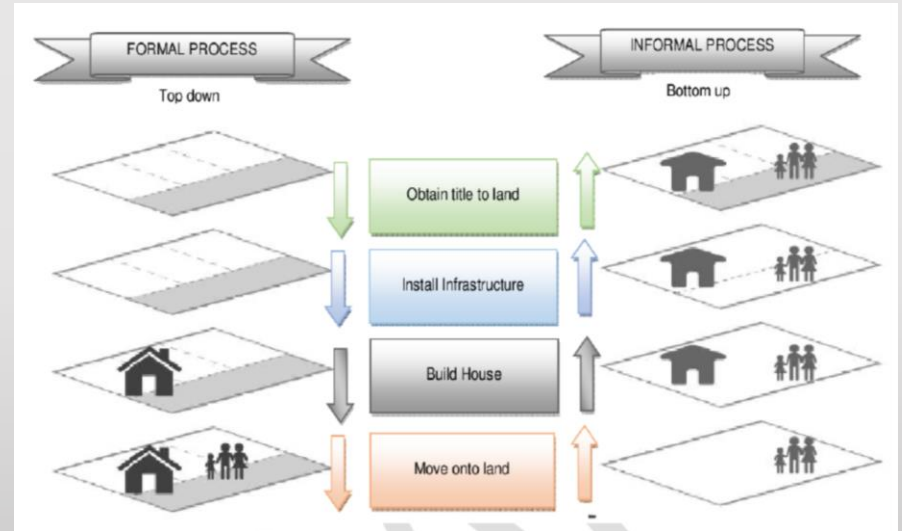
## The EPHP

Target: Total – **3 842 housing opportunities** over short term; **2021/22 – 399; 2022/23 – 360**, highly dependent on available budget

- ❖ The EPHP tend to function as “managed PHP”, with construction processes managed by service providers (implementation agent) and little community empowerment
- ❖ CoCT = Community Resource Organisations (CROs) to facilitate implementation – question whether municipality is structurally & operationally equipped to give support for self-build
- ❖ Self-build has significantly shrunk over the last decade, with the EPHP representing only a small portion of current budgets

# Upgrading Of Informal Settlements (UIS)

- ❖ The CoCT has embarked on a new strategic approach to the UIS. Interventions include enabling good quality urban infrastructure and services, design coupled by better housing quality.
- ❖ The City is also developing a **Building By-Law** relating to **safety and sustainability** of informal settlements.
- ❖ Adopted **Rapid Assessment Approach** to identify and better understand informal settlements and formulate broad types of most appropriate and achievable developmental responses.
- ❖ The City needs to be clear on its role and the **principles** underpinning its agreements/compact with all role players in having **constructive engagements** as its **condition for upgrading**.



# Micro-Developers

*A new generation of property entrepreneurs is emerging particularly in Cape Town's townships.*

- ❖ CoCT to act as a regulator and facilitator of urban development to support this emerging industry as they contribute towards the creation of affordable housing.
- ❖ There is interest from the City to implement some of the research-based incentives such as overlay zones, prototype building plans, DCs, planning approvals etc. However, the City needs to have a policy in place to guide implementation.
- ❖ Lack of **well-located** and **appropriately zoned land** with access to sufficient **bulk infrastructure** of which leads to project time delays and affects private sector housing supply





# Social Housing

*Social Housing identified as one of the key programmes through which City will deliver housing; **Social Housing Policy***

- ❖ ISHP identifies numerous constraints to implementation, but little in the way of innovative responses to same
- ❖ However, the Policy notes following steps to be undertaken
  - ❑ Consider piloting **mixed-market** models, but must clarify land release mechanisms (**MATR constraints**) to use City-owned land at discounted rates
  - ❑ Also clarify other appropriate investment incentives for residential development, & legal and institutional clarity re Public-Private-Partnerships

# Inclusionary Housing Policy (IH)

*The policy is in process and a feasibility analysis is envisaged to be completed in before the end of the 2022/23 financial year, after which a draft policy and associated amendments to the Municipal Planning By-Law will be finalised for public participation.*

- ❖ IH provides an important opportunity to promote Land Value Capture and meet several core objectives such as densification, spatial transformation and affordability.
- ❖ A prime issue to consider is a clear articulation and guide of how local communities would benefit from both the on-site development contributions and/or the development in lieu of contributions (as set out in the IH Policy).



# Land Occupations And Urbanisation

- ❖ **Managed Land Settlement (MLS):** *“proactive measure to mitigate against unlawful land occupation”*
  - ❑ Require a **plan to acquire land, increase supply of serviced and tenure secure land, and a self-build support programme.**
  
- ❖ Concerned about City’s short-term intervention proposed in its **Unlawful Land Occupation Framework** – Establish a mechanism for pre-emptively protecting land:
  - ❑ A shift to its source of information gathering, securing of land through fencing; adding lighting; on-the-ground security & deploying additional law enforcement officials.
  - ❑ Strengthening institutional arrangements
  - ❑ Measures security heavy, funds diverted from housing delivery



# Land Release And Disposal

*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 (ISHP, pp.70)*

- ❖ Key determinant of successful implementation will be whether suitable, well-located land can be made available at scale and at a much more rapid pace.
- ❖ 21 265 ha vacant land = of 1 038 vacant land parcels in CT; Interstate transfers: most in Cape Flats and Metro South East Regions
- ❖ Acquisition of land/property by City from another landowner. “Measures” are being put in place for planned or proactive land acquisitions.





*Follow the money* => Increased focus on **informal settlement upgrading, social housing, GAP housing (FLISP)**, and testing of **mixed-market models**

## Financing Mechanisms

- ❖ HSDG and USDG to decrease (latter substantially, although still highest expenditure)
- ❖ *Money reallocated to the **new Informal Settlements Upgrading Partnership Grant (ISUPG)**: prioritise the upgrading of informal settlements over other line items that the USDG could finance*
- ❖ Despite limited funds spent on land acquisition via USDG – metros spend more than 50% of the USDG on engineering services, allocation to land acquisition is small



# A People-Centered Approach

Successful implementation of the program will require a **'people-centered, consultative and participatory'** approach.

- ❖ Assume state is prepared for a more people centred, consultative and participatory approach
  - ❑ ISSP experience evidences differently: UISP is still largely rooted in a technocratic approach.
- ❖ How will current participatory mechanisms, be specifically geared & re-engineered to accommodate engagements within UISP & site-and-service?

# Additional Concerns

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- ❖ **Backyarder Services Provision Programme:** No national policy nor a national subsidy programme designated to support backyarder intervention, aside from the USDG
  - ❑ City provide basic services to households living in backyards of Council owned Public Rental Housing. However, majority do not live on Council owned properties, but pvt
- ❖ **Public Rental Housing:** Confirm operational approach & maintenance regime for Public Rental Stock and hostels – no further detail provided





**WHAT ARE WE PROPOSING?**

# POLICY & LEGAL REFORM

- ❖ Policy or strategy explaining the programme
- ❖ A strategy detailing how the City will support beneficiaries to understand the objectives and intended outcomes
- ❖ Including the link with National Housing Code/Programme, access to finances for self-build, the tenure security arrangements, their responsibilities in relation to top structure development, etc.

# LAND AVAILABILITY

- ❖ The CoCT has a responsibility to strengthen efforts aimed at utilising City-owned vacant land and buildings in implementing site and services
- ❖ Need for comprehensive and transparent land audit and transparency re land release processes.
- ❖ Clarity on how difficulties in current land use and management processes will be circumvented to access land and reduce delays
- ❖ Acquisition of land/property by City from another landowner. Measures are being put in place for planned or proactive land acquisitions. Clarity needed on “measures”

# EPHP

- ❖ EPHP is potentially an impactful vehicle to drive self-build. We urge the City to broaden the scope of this programme.
- ❖ National Implementation Guidelines must be duly incorporated and in fact, drive the implementation of the policy to ensure that it does not function as a “managed” process
- ❖ Funding: additional finances be allocated to the EPHP. IHSP mentions additional human resources, but no mention of funding
- ❖ Successful implementation requires housing support centers in every community, construction support, community builders and contractors, materials suppliers, compliance issues, building plans
- ❖ A strategy detailing how the City will support beneficiaries to understand the objectives and intended outcomes of the site and service model, how it interlinks with the national housing programme, accessing funds from finance institutions, the tenure security arrangements, their responsibilities in relation to top structure development, etc.

# INCLUSIONARY HOUSING (IH)

- ❖ Ensuring that the City's draft Inclusionary Housing policy process (participation) is inclusive and is finalized
- ❖ Spatial and institutional mechanisms to support implementation must be a key objective pursued with urgency if the City wants to bolster its existing housing budget and maximise the impact of the IH policy

# UPGRADING OF INFORMAL SETTLEMENTS

- ❖ The City's role in providing specialist skills for participatory planning, community training, capacity building, social compacts, mobilizing community investments, etc.
- ❖ A duly constituted settlement community committee be empowered to initiate the required steps and submit the required applications for the upgrading of their informal settlement
- ❖ Professional and community organisation capacity support to informal settlement communities to enable them to effectively drive their upgrading



**WHAT CAN YOU DO?**

**HAVE YOUR SAY  
IN HOW YOUR AREA SHOULD BE DEVELOPED!**



Comments, input or recommendations in respect of the City of Cape Town's Integrated Human Settlements Sector Plan can be submitted in any of the following ways

- Email: [Hspolicy.Research@capetown.gov.za](mailto:Hspolicy.Research@capetown.gov.za)
- Website: [www.haveyoursay.gov.za](http://www.haveyoursay.gov.za)
- Written comment: Comment box at any municipal library or subcouncil office
- WhatsApp: 063 299 9927

The City's Public Participation Unit will assist people who cannot read or write, people living with disabilities and people from disadvantaged groups who are unable to submit written comments to have their comments, recommendations or input recorded and submitted to the City. Contact Zandile Mahlasela at 021 400 5501 or [Zandile.mahlasela@capetown.gov.za](mailto:Zandile.mahlasela@capetown.gov.za).

Contact the City on [Hspolicy.Research@capetown.gov.za](mailto:Hspolicy.Research@capetown.gov.za) for more information on the Integrated Human Settlements Sector Plan.

**LUNGELO MBANDAZAYO**  
CITY MANAGER  
CTA01/2022



**CITY OF CAPE TOWN**  
**ISIXEKO SASEKAPA**  
**STAD KAAPSTAD**

**Have Your Say: Public Participation  
Process!**

# Join Our Continued Efforts!

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**Endorse the submission**

**To Respond, follow the link:**

<https://www.surveymonkey.com/r/PYKNNCH>

**Give Your Full Name & Organisation / Community**



Thank You!

