

THE WESTERN CAPE SUSTAINABLE HUMAN SETTLEMENT STRATEGY: A SUMMARY



DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING

ENABLING DIGNIFIED COMMUNITIES



A PLACE WE CAN ALL BE PROUD OF

For hundreds of thousands of people in the Western Cape “a place to call home” remains an elusive dream. There are many hurdles in the way of home-ownership: A scarcity of land, for instance. A lack of funds... a shortage of skills...

But access to a comfortable, safe, affordable home is everyone’s right.

It’s a promise that’s alive with possibilities. A place to call your own, close to transport, schools, shops and all those other essentials. A place you can be proud of, where you can live your life with dignity.

Fulfilling that promise of providing our people with access to a home is a duty that Government has taken upon itself by writing it into the Constitution as a basic human right.

It is a duty that rests heavily on the Department of Local Government and Housing, which is leading the way to achieving sustainable settlements and dignified communities. It is a huge task that involves the co-operation of hundreds of people in different departments, spheres of government and from all walks of society and industry.

But we’re getting there. The possibilities are becoming clearer. Our end-destination is coming nearer.

THE PLAN TO GET US HOME

Driven by the goal to deliver sustainable and quality housing to our constituents, we have developed a map. This road map is the strategy that sets out the manner in which projects and programmes that are needed will be delivered in fulfilling Government’s promise of creating “a home for all in the Western Cape”.

The strategy is called the *Western Cape Sustainable Human Settlement Strategy (WCSHSS)*.

It builds forth on the visionary work done by the *Breaking New Ground* policy. It also guides us in putting to work various Policy Frameworks such as the iKapa Elinhumayo and related strategies devised by the Western Cape Provincial Government as part of its obligation to house our people in sustainable communities.

Six guiding principles (or “senses”) express the “way of thinking” that underlies the vision of the WCSHSS:

A Sense of justice... a Sense of limits... a Sense of place... a Sense of history... a Sense of craft... a Sense of nature.

THE CORE PROBLEM

The core problem to address: If nothing changes, *existing subsidies and interventions will deliver only 14 360 RDP-type project-linked housing units per year, mainly on the urban peripheries of the Western Cape’s towns and cities.*

Assumptions:

- R1 billion will be available per year.
- Each unit will cost R70 000 (maximum permissible amount) to build.

But:

- This *might* address the backlog in 15 years, but it will do nothing to address new needs created by in-migration, natural growth, and an increase in households as family units shrink.
- Plus, the existing approach exacerbates poverty (and perpetuates apartheid spatial planning) by locating the poor on the urban peripheries. It is unsustainable from a financial and resource use perspective.

The challenge:

- The challenge of existing backlogs and projected needs.
- The consequences of skewed land and property markets.
- The limitations of existing policy.
- The implications of unsustainable resource use.

The housing backlog

- Western Cape’s current backlog: 410 000 units.
- Will grow to 804 000 by 2040 if the current delivery rate remains constant.

To eliminate the backlog (the RDP way)

- R1 billion per annum is available via the DLG & H to fund a subsidized human settlement programme.
- By continuing the RDP-type model, it will cost R8,1 billion to eliminate the backlog by 2010, and R4 billion to do so by 2015.
- With funding of R2 billion per year the backlog would only be eradicated by 2030.

- With funding of R1 billion per year the backlog would not be eradicated at all.

To eliminate the backlog (the UISP “serviced sites” way)

- If the focus is to provide every beneficiary with a serviced site (as through the Upgrading of Informal Settlements Programme), the backlog could be eradicated by 2010 with funding of R2,5 billion per year, by 2015 with funding of R1,8 billion per year and by 2030 with funding of R0,7 billion.
- But such a focus, aimed only on providing serviced sites in outlying areas could reinforce apartheid divisions.

THREE MAJOR SHIFTS

Three major strategic shifts in emphasis influence the core focus of the WCSHSS. These shifts are apparent in all three spheres of governance, and have emerged as a consequence of the gradual overall strategic shift towards a “development state” approach.

- The shift from housing construction to “sustainable human settlements”.
- The shift to sustainable resource use.
- The shift to real empowerment.

Thorough understanding of these shifts in emphasis (discussed further on) makes it possible to deal with the current backlog challenge facing the Western Cape.

MIND SHIFT 1: The shift to sustainable human settlements

In 2004 the *Breaking New Ground* policy launched a “demand driven, supply negotiated” approach to housing delivery.

At last! A mind shift that acknowledged the importance of context-specific solutions: BNG homed in on where the demand for housing is, and negotiated with the people who would benefit. Most importantly, BNG recognised the bigger picture: instead of focusing on “projects for the poor”, it looked at the Western Cape housing system “as a whole”.

Now this is where our Western Cape Sustainable Human Settlement Strategy slots in. Instead of “doing projects for the poor”, our holistic strategy identifies specific sets of actions that will resolve the housing challenge “as a whole” over time.

MIND SHIFT 2: The shift to sustainable resource use

Turning a blind eye to sustainable resource-use issues will result in massive resource

transfers to the rich over time. As more people climb the socio-economic ladder, the eco-system is being depleted; we're running out of non-renewable resources. These losses bring about heavy costs... and these costs will be carried – disproportionately – by the poor. The best solution to reduce poverty and improve the sustainable use of resources is believed to be for the government to intervene in land and property markets in ways that will bring the poor into the inner cities.

MIND SHIFT 3: The shift to real empowerment

Just as the BNG policy had pointed out, the Social Capital Formation Strategy and our proposed WCSHSS acknowledge that people in communities have the capacity to “negotiate” with state agencies on issues such as housing. Communities can now really have a say and – in essence – empower themselves. Community-controlled micro-financing systems are seen as a possible tool that could play a major role in the development process, particularly as far as housing is concerned.

The everyday act of “connecting around savings and loans”, will build social cohesion by strengthening social capital. And as this happens, the social base for greater capital development will be shaped.

FINDING ALTERNATIVE WAYS OF WIPING OUT THE BACKLOG

The WCSHSS is intent on finding an alternative to both the current RDP housing model and the UISP serviced sites model.

The solution lies in recognising that a variety of wide-ranging interventions are needed, and that these should be aimed at achieving four outcomes:

OUTCOME 1. Making housing markets work for the poor.

OUTCOME 2. Restructuring the apartheid settlement pattern to bring the poor into the heartlands of our cities and towns, close to livelihood opportunities, public services, transport and social facilities.

OUTCOME 3. Mobilising and organising the savings and time of the urban poor, because savings and time are co-contributors to the solutions that are required across a range of different contexts.

OUTCOME 4. Gradually changing over to sustainable resource-use approaches (energy, waste, water, sanitation, transportation and food supplies).

Key lessons from case studies:

- An *integrated* holistic approach to development is essential.
- *Beneficiaries* must participate in all stages of projects to ensure that people's

real needs are addressed and to build citizenship.

- Locale is important for housing projects.
- Create *quality urban environments*, with safe and usable public spaces.
- Achieve integration between race and income groups.
- *Address energy efficiency and environmental sustainability.*
- *Mobilize* additional resources for housing and urban development.
- *Forge partnerships between the state and other stakeholders.*
- The state needs to be more *flexible and supportive of innovation.*
- *Alternatives to individual ownership* is important.

Policy context

For the first time in the short post-apartheid future – the prospects are presented (and placed within reach) in order to achieve the following outcomes:

- Configured structural and durable linkages between the housing programme and spatial planning.
- Guided land assembly and release and infrastructure provision.
- Transport infrastructures geared to compaction and integration.
- Re-directed public and private sector economic opportunities and investment patterns.
- Improved quantitative and qualitative provision of education, social facilities and amenities.

If housing goes the wrong way...

Housing and human settlement development involves the expenditure of large sums of public finance in ways that intersect with all the major provincial policies and strategies. If housing finance and delivery systems are inappropriately configured, many other policy goals across all sectors will be thwarted.

THE CONVENTIONAL WAYS

The challenge for the Western Cape is to find a way that avoids the two housing delivery models that prevail at the moment: (a) the RDP house on the urban periphery funded via project-linked subsidies, and (b) the serviced site on the urban periphery.

Both models entrench apartheid patterns and reinforce poverty: the RDP-house option will benefit some (maybe 25% of the homeless) and leave the rest in slums forever because it is unaffordable; while the serviced land option is affordable and do-able but is effectively about the creation of urban dumping grounds for surplus people.

“THE THIRD WAY”

“The Third Way” is to match the DLG&H’s R1 billion annual subsidies with a wide range of state resources, private sector resources and community resources, such as:

- Publicly owned land (including land owned by the parastatals) that must be used directly to the benefit of the urban poor.
- Municipal funding for infrastructure, including – where affordable – for top-ups.
- Institutional resources to manage rental and social housing.
- Major infrastructure funding (from MIG fund, Treasury’s Neighbourhood Development Programme, DBSA’s “sustainable communities” programme, and parastatal investments in transport, economic development infrastructure, energy supply, cultural development, and so on).

Once the break from the image of RDP housing on the periphery is accepted, then it is necessary to imagine the following range of interventions (with percentages in brackets suggesting the mix):

- *Incremental in situ upgrading of some of the existing informal settlements* via a capital subsidy for the land and services, and support for a People’s Housing Process (PHP) (35%).
- *Incremental housing development within greenfields developments* (from low density stand-alone of not less than 25 dwelling units per hectare through to high density row housing), with as many as possible designed as mixed use and socially mixed developments on well located land – again, with a capital subsidy for land and services, and additional support for a PHP (35%).
- *Social housing units* (1-, 2- or 3-roomed) on well-located land or within renovated premises located in mixed-use and socially mixed developments (again in a range from low density to high density row housing) (10%).
- *Rental units* in high to very high-density developments, with public, non-profit or for-profit landlords located mainly in the inner urban cores and/or in mixed-use socially mixed developments (10%).
- *Formalised backyard tenancy*, with access to capital subsidies and loans by landlords to upgrade living conditions (5%).
- *Backyard homes*, which implies some form of secure title and support directly to owners (including the possibility of sub-division and sale) (5%).
- *GAP housing* to cater for a market where the need is huge, but if this needs goes unmet, then downward raiding takes place to the disadvantage of the poorer households.

The exact mix of interventions and areas where resources are targeted from year to

year will obviously be a function of political and policy decisions. The mix will also be determined by opportunities (as it takes 12 to 18 months to secure approval for developments before physical construction – and therefore expenditure – can commence). However, the aim overall is to ensure that the poor are fully integrated into our towns and cities, that we move away from the dualistic housing market, and that densities do not drop below 25 dwelling units per hectare (du/ha) (or 100 people per ha).

OBJECTIVES AND ACTIONS

Objective 1: Citizens of the Western Cape are aware of - and can easily access - a wide range of housing services/ opportunities and instruments so they can participate in the development of a sustainable human settlement of their choice.

Specific actions to achieve objective 1:

- Identify land for immediate development of mixed use socially integrated sustainable human settlements.
- Finalise the subsidies available for interventions.
- Establish a legal and institutional framework to support rental and social housing.
- Establish a legal framework: all residential developments to include a minimum level of mixed income housing so that in all areas there is an affordable proportion.
- Establish a programme to increase the capacity of social housing institutions and the capacity of public sector institutions to own and manage public rental stock.
- Establish a comprehensive housing demand database to support long-term demand-based planning.
- Establish a comprehensive monitoring and evaluation facility: monitor and evaluate progress, and issue reports that are user-friendly and online.
- Consolidate the regulatory, institutional and financial arrangements for greenfields developments, GAP housing, etc.

Objective 2: All intergovernmental policies, plans and budgets relating to human settlement development are aligned horizontally and vertically.

Specific actions to achieve objective 2:

- Establish a joint rental-housing forum.
- Together with the Social Housing Support Programme, develop a long-term funding framework.
- Together with municipalities, identify Provisional Restructuring Zones, finalise Memorandums of Agreement, and target the various funding streams (in

particular MIG funding and subsidies for WCSHSS projects).

- Use the various IGR forums to maximise co-ordination of strategies and funding for sustainable human settlements.
- Fast-track township establishment and rezoning approval, and investigate the possibility of the DLG&H becoming the clearing agency for township establishment applications or, alternatively, reaching a formal agreement with Department of Environmental Affairs and Development Planning that will result in a much more efficient coordination of land-use, heritage and environmental impact decision-making processes with those processes involved in housing finance application approval.
- Establish a high level inter-ministerial body under the leadership of the Minister for Local Government and Housing to ensure effective inter-departmental coordination.
- Implement new guidelines for IDPs (inclusive of their spatial frameworks and local economic development strategies) that ensure that the WCSHSS approach is fully integrated into every IDP within the wider spatial framework set by the PSDF, the participatory and livelihood approach set by the Social Capital Formation Strategy, and the local economic development advocated by the MEDS. Establish a mechanism for monitoring every IDP with respect to inclusion of the WCSHSS approach and conformity with the PSDF.
- Establish a Planning Forum to align planning for specific projects and programs.
- Together with municipalities, establish an province-wide set of criteria for sustainable human settlement development, including criteria that relate to appropriate location, urban design (mixed use, social mix, densities, living patterns), financing for affordability, green spaces, sustainable resource use (energy, waste, water, sanitation and transport), governance arrangements, and so on.
- Ensure that every IDP has a Disaster Management section, and that these are coordinated with human settlement development strategies and projects.

Objective 3: Municipalities are equipped to deliver.

Specific actions to achieve objective 3:

- Establish an accreditation unit that is linked to the capacity building unit within the DLG&H.
- Extend and deepen capacity building programmes for municipalities targeting both officials and councillors, and focused on BNG and WCSHSS, and on the following: how to include WCSHSS into IDPs; housing as a Constitutional right and the importance of the incrementalist approach; integrating sustainable resource use (energy, waste, water, sanitation and transport); the various financing and institutional packages that are available; and how to plan and implement sustainable human settlement projects in specific localities.

- In line with the MOU between the Western Cape Provincial Government and the Western Cape tertiary education sector, form partnerships with tertiary education institutions to package and deliver Province-wide capacity building programmes.

Objective 4: A functioning property market across both economies. And an enabling environment for agents and institutions who want to design and implement sustainable human settlements in accordance with the WCSHSS approach.

Specific actions to achieve objective 4:

- Use new planning and development control instruments to restructure the market, with special reference to Spatial Development Frameworks, Restructuring Zones, zoning frameworks, urban edge instruments, IDPs, as well as heritage and environmental impact assessment guidelines.
- Ensure that human settlement projects are located to maximize local economic development in accordance with MEDS, SIP and PSDF guidelines.
- Strategically target public infrastructure investment and upgrading to promote densification along public transport nodes and routes.
- Capture value for reinvestment in pro-poor development from upmarket developments via a new set of interventions, including residential development permits, development levies, endowment/betterment, TDR, bonus zoning (density bonuses to promote densification), and inclusion of housing in middle and upper income developments that are affordable for poorer households in both the subsidy and GAP range.
- Apply a free basic service policy with respect to water and energy on a household rather than per erf basis so that rental, cluster and upgrade areas can benefit.
- Accommodate informal registration systems in the Deeds registry system.
- Streamline and cheapen legal transactions for low-income households, in particular the cost of property transfers, Deeds Office registrations, and building plan approvals.
- Establish the legal and institutional framework for formalising and protecting the rights of backyard shack dwellers.
- Devise new financing approaches and packages to fund a massive increase in supply of affordable housing, including the mobilisation of private sector resources to match public sector investments – multi-sectoral partnerships, charters, financial incentives and penalties, incremental default rating, land and property sales.
- Engage in formal partnership with the micro-finance sector to generate innovative financing systems to support the WCSHSS.
- Pilot various models to facilitate learning, in particular how private sector financial institutions can collaborate with the micro-finance sector, development

funders and local savings groups to significantly escalate the availability of low cost credit to poor households.

- Establish an information, education and communication facility regarding market and consumer rights.
- Explore various partnerships with the real estate development sector, non-profit housing companies, CBOs and NGOs with respect to pilots and areas targeted to become Restructuring Zones (including mechanisms to unlock stock in discount benefit schemes).
- In partnership with the tertiary education sector, set up a research capacity that will monitor land and property markets, including livelihood networks and the dynamics of informalisation, the dynamics of the informal housing market, the rental sector in backyards as well as in townships and shack settlements, and data from home loan disclosures.

Objective 5: The appropriate government departments are equipped with the capabilities to effectively design and implement the new WCSHSS.

Specific actions to achieve objective 5:

- Strengthen and extend the existing capacity building programme for municipalities.
- Build the internal capacity of the DLG&H via a new 4-day capacity building programme to build management and leadership skills that are appropriate for development practice and networked governance; and to build up an understanding of the WCSHSS via classroom-based discussion learning via case studies of comparative experiences.
- Thoroughly review and – where necessary – re-align and restructure the DLG&H so that it is appropriately configured and skilled to implement the WCSHSS, paying particular attention to decision-making processes, subsidy approval procedures, and the competencies of staff at different levels.
- Establish within the office of the Head of Department a Special Liaison Officer who does not have a specific portfolio and is therefore free to respond to complaints from developers, CBOs and local governments about delays in the approval process.
- Formalize a capacity building strategy for these and other departments, based on mutual agreements with other Provincial Departments implicated in the implementation of the WCSHSS.

Objective 6: State land and other resources are used for spatial restructuring, with direct and indirect benefits for the poor.

Specific actions to achieve objective 6:

- Identify 25 parcels of well located publicly owned urban land across the

Province, as WCSHSS “lead projects”, targeted for significant investments from the major funds at national level and at Provincial and municipal levels. They need not be single large portions; they could be smaller inter-linked tracts developed simultaneously. The majority, but not all, the beneficiaries must qualify for housing subsidies (including GAP housing). The projects must demonstrate social integration and sustainable resource use, and they must be completed in three years from date of approval by the municipality. Project champions must be appointed to implement each project. A set of criteria derived from the “six senses” should be developed to identify these “lead projects”, and the current raft of “lead projects” may need to be reviewed to ensure they conform to the criteria.

- Working with the Department of Transport and Public Works, establish a policy, and – if necessary – a legislative framework to prevent the indiscriminate sale of land owned by Provincial Government departments and municipalities by stipulating a clear set of criteria that must be adhered to if a given piece of land must be sold for whatever reason.
- Prepare an inventory of publicly owned land in the Province, together with a set of criteria to identify those most appropriate for development as sustainable human settlements. The criteria must take into account location, geotechnical conditions, access to transport, proximity to major infrastructure services, sustainable resource use, zoning, availability, plus other factors where necessary.
- Develop and implement a land banking programme, including a “land fund” that can be accessed by municipalities to rapidly purchase and “bank” suitable land for housing that is aligned with their respective long-term land use plans.
- Develop an MOU with parastatals regarding the transfer of strategically well-located land and buildings for pro-poor development.
- Align the WCSHSS for utilising state land for pro-poor residential development with the White Paper on the Management of Provincial Property and the PFMA.
- In addition to the 25 “lead projects”, a project management approach is required to identify specific parcels of public land for development over the medium to long term, and then to secure these for pro-poor residential development via MOUs.
- Monitor all transfers of public land to inform long-term planning and investment decisions.
- Reach agreement between the three spheres of Government and between departments to identify and release land for rental housing, including the identification of privately owned land that may need to be acquired for this purpose.
- Review and re-align legislative, policy, fiscal and institutional structures and processes in order to fast-track the release of well-located land for rental housing.

Objective 7: A new pact is consolidated between Government and organised civil society to build up the trust, reciprocity and development practices required to imagine, design and implement vibrant, sustainable neighbourhoods.

Specific actions to achieve objective 7:

- Call a Western Cape Provincial Summit to formalize a development pact between the Provincial Government and those CBOs and social movements that have the will and capacity to collaboratively design and implement human settlement projects.
- Make available a fund that can be used by the civil formations that are part of the above mentioned pact to train and sustain grassroots community organisers who will be accountable for making happen the various community action planning and savings strategies that will be required.
- Establish mechanisms for fast-tracking the transfer of subsidies to accredited CBO- and NGO-based development finance institutions.
- Establish an orientation and education programme for DLG&H and municipal staff to build up an understanding of community-based development practice.
- Require that all subsidised human settlement developments utilise participatory planning (spatial, land use, design) and construction methodologies. To this end, develop a protocol with a supporting manual that defines the minimum standard required for community participation in all subsidised housing projects.
- Develop a consumer education programme for all beneficiaries of subsidised housing.
- Develop a clear allocations policy for the Province and ensure the revision of waiting lists and allocations processes is credible and transparent.

Objective 8: The Western Cape's towns and cities become global leaders in sustainable resource use. All new buildings, infrastructure and open spaces are planned in accordance with ecological design principles. Existing buildings are retrofitted in accordance with these principles.

Specific actions to achieve objective 8:

- Set up a Provincial Task Team to evaluate the City of Cape Town's Green Building Guidelines with a view to turning them into a set of Provincial Regulations and eventually municipal byelaws.
- Facilitate alignment between the technical specifications for infrastructure planning that flow from the SIP and PSDF and the project-level designs for the projects that will be funded by the MIG, Treasury's Neighbourhood Development Programme, DBSA and Municipal Engineering Services Departments.
- Working with municipalities, NGOs, CBOs, researchers and consultants,

develop ideal-type ecologically housing units for different locales (including alternative building materials), using the templates in this regard already developed by the City of Cape Town's Green Buildings initiative.

- Investigate the option of a "renewable energy bulk infrastructure charge" on all new developments, payable to the West Coast wind farms for the construction of additional wind generation.
- Convene a Province-wide task team to investigate what is required to fast-track a solid and liquid waste recycling system, building on many of the best practices that are already in place in the Province.
- Appoint a facilitator to facilitate – via dialogues between farmers, market operators and consumer groups – a value-chain analysis of food supplies into the urban areas. The objective is to determine which interventions could enhance and reinforce the emerging "farmer-to-fork" markets in the towns and cities.

LET'S GET HOME TOGETHER

A place to call home needn't remain an elusive dream. At the Western Cape Department of Local Government and Housing, we have the will, the "road map" and the capability to put words into action. But it is a long and challenging journey ahead. We'll need support along the way. Already, our colleagues in other departments and different spheres of government have provided much appreciated roadside assistance and we know we'll be able to rely on them in future. Many stakeholders in the private sector have embarked on this long and challenging voyage with us. Thanks are due to them too. To the people of the Western Cape: bear with us and please support us - we're getting there. We've come a long way and will be on the home stretch soon.

To obtain a copy of the full
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