

## **WESTERN CAPE CABINET GREENLIGHTS “BETTER LIVING” AFFORDABLE HOUSING DEVELOPMENT**

**5 December 2018**

I am pleased to announce that during a Cabinet meeting today, the Provincial Executive took a decision to confirm the disposal of the old Conradie hospital site to Concor Construction (in terms of the Land Administration Act (WCLAA, 1998).

This is for the development of an affordable, mixed-use, residentially-led development close to the Cape Town CBD. This unique development is better known as the *Conradie Better Living Model*.

The disposal is on a Land Availability and Development Agreement Basis, and is not an outright sale.

The Provincial Cabinet considered all public comments received during the 21-day public participation period, in reaching this decision.

Today is a significant milestone for redress of the apartheid spatial planning legacy, and for well-located, affordable integrated housing opportunities for citizens.

This development will provide 3602 residential units, of which 1764 will be grant-funded, affordable units. The pioneering Better Living Model leverages the remaining open market units to cross-subsidise affordable units. This makes the overall development viable.

The R3 billion estimated total construction cost will include commercial space, parks and recreational spaces, and two new schools.

It will catalyse upgrades to road infrastructure and public transport in the surrounding area. Over 13 600 jobs will be created by this project.

Now that Cabinet has confirmed the disposal, our contract with Concor Construction is complete.

On fulfilment of conditions precedent to the development agreement, the site will be made available for development.

I must acknowledge the enormous effort, over the past three years, of the dedicated project team.

In 2006, under an earlier administration, the Conradie development never got off the ground due to a botched sale to a developer, without a viable affordable housing model in place.

At the start of this term we designated viable, well-located affordable housing as a Game Changer, and applied our *Better Living Model* to the Conradie Hospital site. This was our response to the property reverting back to Provincial ownership in 2012.

We have taken a similar approach to valuable state-owned land at Somerset Precinct near the V&A Waterfront. We recently got the rezoning approval for affordable housing on those properties too, which once were eyed by a Dubai Consortium linked to the former Premier.

We chose the hard yards of making well-located affordable housing viable. Key to our success in the planning phase for the 22-hectare Conradie Hospital site, has been the securing of development rights on a property of this scale.

This is no easy task. Innovative methodology was used to oversee the project; manage risks; and ensure that we maintained the momentum needed to meet ambitious deadlines.

Given the regulatory environment, the timelines we've met have proven ambitious, and we now have a better understanding of reforms needed in this regulatory space to speed up developments of this kind in the future.

In bringing the Conradie project to this point, we have undergone the necessary public participations; secured authorizations from Heritage, Environmental & Water Affairs; designed the supporting infrastructure; obtained rezoning approval from the City of Cape Town; and appointed a developer, all within three years.

During this period, we had 6 statutory public participation processes and additional engagements, including ongoing meetings with representatives from neighbouring communities and businesses, going beyond the minimum prescripts of the legislated planning approval processes.

This included the project team and I conducting a site visit in October 2016, following concerns raised by residents over a proposal to extend Odin Drive, a cul-de-sac, as part of the project.

Following this visit, I requested that a study be done to determine alternatives to this proposal. This resulted in an amendment to the development proposal an amended rezoning application and ultimately an amended approved project.

Despite the delay this occasioned (6 months) we were prepared to allocate the extra time this took in the spirit of meaningful engagement and public participation.

While we are proud of what we have achieved on this project over the past few years, we recognise that this has only been possible because of the extraordinary efforts of a dedicated team whose sole focus has been getting this development off the ground.

And despite their focused efforts, there were still delays due to the myriad statutory processes, which local, provincial and national government all must comply with when trying to unlock the economic potential of state-owned land.

For those not familiar with the rezoning process, here is a brief explanation.

A property is rezoned to provide for a different (often larger) set of development rights.

These rights allow for different land uses or for a greater scale of development on a particular property. Before the City approves new rights, the law requires several impact assessments to be completed and submitted, as part of a rezoning application.

Some of these impact assessments are considered internally within the municipality, for example, through a Traffic impact assessment (TIA).

Other impacts are considered by entities outside the municipality. For example, the Heritage Impact Assessment (HIA) is considered ultimately by heritage Western Cape, and Environmental Impact assessments are commented on by the Department of Environmental Affairs and Development Planning.

There are many more impact assessments – such as the Visual Impact Assessment (VIA) – which may apply to larger developments.

One of the main factors encumbering development projects currently is the uncoordinated public participation processes required by various local, provincial and national legislation.

This means one development project can be subject to in excess of six public participation processes, with timeframes varying from 21 days to 18 months.

Cabinet has agreed that a priority solution to this, is to integrate various public participation processes to allow for comment from the public in a more streamlined process which still protects the quality and object of these processes. We must build our cities together.

To do this, Cape Town's citizens need a reliable and streamlined process in which to give input that will help shape the decisions about the City we live in.

To those who take time to comment on the various development projects, please continue to comment, but do so responsibly, knowing your comments have impact and can both enhance or retard the future development of our cities.

We need spatial transformation, and we need to ensure new models are created for people to access work opportunities more affordably, and to live in environments where they are safe.

Where possible, we will seek to enter into co-operation agreements with other spheres of government to better align current processes pertaining to the disposal of land and development rights.

We do not want public participation only to become a means by which to challenge or delay transformation or development. Rather, it should be used in a productive way to enhance developments and to provide a mechanism to work together as we build better and more sustainable living environments.

Government has an important role to play in identifying ways to achieve this, within the current legislative environment, and through reforms to it.

It is for this reason, that I requested the provincial departments of Transport and Public Works, Environmental Affairs and Development Planning; and Human Settlements, to identify possible means by which land development rights and land disposal may be secured in the shortest possible timeframes, within the current legal framework.

A list of the various pieces of legislation requiring public participation has already been created along with potential means of integration.

Over and above the integration of public participation processes, we also believe it is critical that the national government amend the Government Immovable Asset Management Act (GIAMA), 2007, as a matter of urgency.

This legislation dictates minimum standards for the effective management and maintenance of immovable assets and infrastructure by both users and custodian departments in all three spheres of government.

As it applies to provincial governments, the prescripts are vague and contradictory in some respects, resulting in a statutory framework that is neither appropriate, efficient or practical when it comes to developmental imperatives, and the operation of a modern South African state.

While national government has recognised the need for an amendment to GIAMA, the lead has to be taken by the National Department of Public Works, with nothing happening to date.

We therefore urgently call on Minister Thulas Nxesi to take up this matter and request his department to begin a review as a matter of urgency.

So whilst today is a celebration of an important milestone for the pioneering Conradie project, we remain committed to ensuring future development can be delivered efficiently.

We are determined to take the learnings of this Game Changer and translate them into tangible reforms to address the housing requirements of our citizens.

Conradie serves as a unique blueprint for how partnerships between different spheres of government and the private sector can deliver well-located housing opportunities for citizens.

We look forward to working closely with the successful bidder to implement the Conradie Better Living Model development over the next few years.

