

WRITTEN COMMENTS RECEIVED ON THE DRAFT WESTERN CAPE INCLUSIONARY HOUSING POLICY FRAMEWORK AND RESPONSES TO THESE COMMENTS
PUBLIC NOTICE AND COMMENTING PERIOD: 14 MAY TO 13 JULY 2021 (60 DAYS)

	PUBLIC COMMENT	ORGANISATION	DATE RECEIVED
1	Willard Matiashe	DAG	14 May 2021
2	John des Ligneris	n/a	15 May 2021
3	Lodie Venter	City of Tshwane (personal comment)	17 May 2021
4	Anton Opperman	Theewaterskloof Municipality	19 May 2021
5	Anton, no affiliation	n/a	18 May 2021
7	Sharon Lambert	n/a	21 May 2021
8	Deon Van Deventer	D & A DEVELOPMENT CONSULTANTS	31 May 2021
9	Shaheen Adams	Wingapo Property Group	31 May 2021
10	Azeem Hoosain	n/a	11 June 2021
11	Robert McGaffin	UCT/URERU	15 June 2021
12	Willem Buhrmann	Willem Buhrmann Associates	25 June 2021
13	Monwabisi Fani	SALGA	25 June 2021
14	Marcelle Cailen O'Malley	SALGA	25 June 2021
15	Shaun Reznik	Blue Buck Projects	29 June 2021
16	Dr Laurine Platzky	n/a	1 July 2021
17	Lauren Waring	George Municipality	8 July 2021
18	Freda Burden	n/a	9 July 2021
19	Melanie Steyn	n/a	9 July 2021
20	Roxanne Botman	n/a	10 July 2021
21	Leslie John Swartz	Kensington Factreton Residents and Ratepayers Association (KFRRRA)	11 July 2021
22	Cor van der Merwe	SAACPP South Region	12 July 2021
23	Ndaxola Samuel Nkalashe	Jazzinthenativeyards	12 July 2021
24	Jacqueline Samson	Drakenstein Municipality	13 July 2021
25	Pierre Venter	The Banking Association of South Africa	13 July 2021
26	Rashiq Fataar	Our Future Cities	13 July 2021

27	Christian Alexander	n/a	13 July 2021
28	Anneline Turpin	Legal Resources Centre	13 July 2021
29	Jonty Cogger, Robyn Park-Ross	Ndifuna Ukwazi	13 July 2021
30	Frank Cumming	City of Cape Town: Urban Catalytic Investment	13 July 2021
31	Margot Drake	n/a	13 July 2021
32	Deon van Zyl	Western Cape Property Development Forum	12 July 2021
34	Alderman Daniel Plato	City of Cape Town	15 July 2021
35	Stephen Muller	Overstrand Municipality	14 July 2021
36	Neil Schwartz	V&A Waterfront	13 July 2021

NOTES :

1. *“Policy Framework” in this document refers to the “Western Cape Inclusionary Housing Policy Framework”*
2. *For an explanation of acronyms please refer to the Western Cape Inclusionary Housing Policy Framework.*

Comment made by	Organisation	Point of Reference	Comment and Response
GENERAL			
Willard Matiashe	Development Action Group (DAG)	General	We have noted that Pegasys is mistakenly referenced on the report instead of DAG. Can this be corrected? Apologies, this has been corrected.
John des Ligneris	Independent	General	We submit our proposals to help solve many aspects related to houses and job creation (sustainability) for your consideration. Plus as a foot note, Western Cape must stop building “squatter camps” (always temporary + fire hazards) and replace them with “flats” ,as detailed in the attached proposal and illustrated design layout. Noted.
Lodie Venter	City of Tshwane (comments submitted in personal capacity)	General	In my opinion Affordable / Inclusionary Housing has to be linked to the BRT routes. BRT is primarily aimed to provide affordable transport to people who don't own vehicles. The notion of “Infrastructure led development” is frequently used in public statements – My proposal is to maximise the BRT infrastructure in order to promote spatial transformation. Present situation in Tshwane Below is an example of the spatial policy along the BRT route in Tshwane – Lynnwood and Atterbury Roads, link between the University of Pretoria and the Menlyn Business Node. According to the town-planners and transport engineers, a policy of “fine grain development” was followed in the drafting of their spatial plans. That implies that development will be supported on individual properties. will be developed. The photo below illustrates the result of this policy. Individual properties developed – no integration or linkage between the different erven. Densification is promoted to accommodate bus passengers along the route – they have to pay the bills. However, a large proportion of people residing at present along the BRT, don't use the bus. Especially in the East of Pretoria - their property values have significantly escalated as a result of the densification along the BRT. These residents enjoy the financial benefit from the BRT, but is unlikely to use the bus.

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			<p>A Possible solution could be to consolidate properties along the route and promote mixed income residential developments / neighbourhoods /communities. Preference should be given to affordable housing along the route. We could use densification to promote spatial transformation.</p> <p>Note : Densification require schools, hospitals and open spaces – none of these are included in the present spatial planning. – primary focus is residential densification.</p> <p>Example of my idea.</p> <p>The idea is to consolidate existing residential erven along the route in order to develop integrated neighbourhoods that primarily include inclusionary housing – schools and social amenities. Cities have to move away from the current linear approach towards a systems approach in planning.</p> <p>Where to locate inclusionary housing</p> <p>Along the BRT route - near business nodes, major employers, university and schools.</p> <p>These are my personal views. Hope that your policy will be successful and hopefully other cities will follow your example</p> <p>Agreed. This input demonstrates public sector investment can create value that can be used to incentivise inclusionary housing contributions by private land developers.</p> <p>This input is more relevant to how MSDFs identify priority areas for investment and areas within which spatial transformation is promoted.</p> <p>This input also points out the importance of proactive planning and land use management to incentivise the right form of development; i.e. consolidation of erven to enable density and good urban form in BRT corridors.</p>
Anton Opperman	Theewaterskloof Municipality	General	<p>The Housing Framework is fine, but it seems that provincial government is not overseeing the local government agreements with developers or having oversight over projects for which the different housing funds are provided. Perhaps provincial government must be held accountable in this framework to ensure value for money on funds distributed to local government. If specifications and contracts for example are not overseen, problems is possible on the ground.</p> <p>Noted. In the instance of inclusionary housing, no funding transfers would be made to local government by provincial or national government. Nevertheless, the monitoring and oversight role</p>

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			of the provincial government is supported particularly where in lieu contributions are paid and must be invested back into well located affordable housing opportunities.
Anton	No affiliation	General	<p>Exactly what the Anc wants in the Cape area. A second Parklandsthey will stream into cape town by the millions in 5 years time and so your funding will go through tje roof . Dont you people learn There are already 390,000 not workingthey get property in Houtbay ... FRanschoek ... all these fancy places for ██████while the people paying taxes are getting ██████ by our own local gov !!!!!!!!!!!</p> <p>Noted</p>
Sharon Lambert	No affiliation	General	<p>I am an essential worker falling within the middle household income bracket where neither the project companies nor the banks want to assist, according to them you either earn too little or too much.</p> <p>I am currently living in backyard separate entrance for 15 years already which is really frustrating.</p> <p>It is really good to know that some people out there are considering in attending to this Policy.</p> <p>This New Draft Housing Policy will really help people whose in the same position as I am, people who falls within the middleclass salary bracket, who does not qualify for housing either way, so yes I'm sure a lot of people will benefit from this Project.</p> <p>Support for the importance of Inclusionary Housing Policy and confirmation of the need for it is appreciated</p>
Deon Van Deventer	D & A Development	General	<p>I refer you to your Policy Framework referring to Housing Act 1997 : Provide as wide a choice of tenure options as is reasonably possible.</p> <p>I attach a Draft working document (backyard rental module) for your perusal.</p> <p>I understand that it is reliant on (Double Subsidization) which needs further investigation. I refer you to the approach that GEHS Beneficiaries can also qualify for a FLISP subsidy.</p>

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			<p>Item 5 of your Policy Framework : How is inclusionary housing requirements imposed? Item 5.v11F : Issues around Levies – I have noticed that this function is problematic in Gauteng (Greater Soweto area). I have found that Owners in Complexes have financial constraints and there seems to be a culture of non-payment in some cases, especially related to Housing Complex maintenance.</p> <p>The issue of affordable levies is indeed a risk and will be a key informant to 1) whether owned inclusionary units is a sustainable option in a development; or 2) whether the in lieu option may be more appropriate in the case of that development. This has been given further attention in the revised Policy Framework. There may be ideas to manage this, such as that a municipality might consider different land uses in a development to support revenue generation to cross-subsidise the levies of inclusionary units, provision for which is included by the developer in the body corporate constitution set up. The payment of levies that have been adjusted for inclusionary units must be enforced.</p> <p>Item 6.1 : who should benefit from the Affordable Housing opportunities – The Target Communities -</p> <ul style="list-style-type: none"> • One or two member households • Beneficiary that do not qualify for a RDP subsidized House • Beneficiary that prefers Rental to Ownership • Beneficiary in need of Temporary accommodation ie Students, and Contract Workers (minimum two years) <p>Young Varsity/College graduates should be considered – Noted. While the Policy Framework provides guidelines on allocation, the municipal inclusionary housing policies must further define preferred allocation criteria with due respect for the landlord or financier's liability when taking on a tenant or a bondholder.</p> <p>Here, one should look at the FLSIP subsidy criteria, which do not accommodate single persons with no dependents. The NHFC should seriously look at this Policy to accommodate this Category. There is a huge demand for persons in this Category.</p>

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			<p>Noted.</p> <p>These Beneficiaries should also be assisted with our Draft Backyard Rental Module and given time to build a good credit record with Financial Institutions, to be able to apply for Bond finance at a later stage. As stipulated, in my Draft Backyard Rental Policy, rental tenants should not be registered on the Housing Subsidy System (de-linked) and should be illegible for Housing Subsidy assistance (FLISP) in the future.</p> <p>Input into backyard rental policy parameters is noted.</p>
Shaheen Adams	Wingapo Group	General	<p>What I believe is most lacking in the general inclusionary housing discourse at present is the lack of detail on the post-allocation mechanisms. I've seen it locally and abroad how easily fraud and corruption and also life-long dependency is created by not having proper post-allocation procedures in place, or a properly regulated mechanism with proper monitoring and evaluation. You see this in South African social housing as well, where units get illegally traded behind the scenes in a parallel market mechanism and never returning to the SHI for redistribution to the needy.</p> <p>I've shared some ideas on the topic of inclusionary housing in the media last year. Its posted to my website www.wingapo.co.za and can be found under the articles tab. I've attached two of them here.</p> <p>Provocate pg 36. SAPOA Property Review pg 14</p> <p>Thank you, these articles talk to catalytic reforms in the social rental sector.</p> <p>What does an inclusionary housing policy need in support of it to make it sustainable?</p> <ul style="list-style-type: none"> ● The SHRA and the SHIs as partners: <p>The SHRA needs to create a mechanism of providing capital grants to SHIs in order to buy sectionalised units from developers, and for those units to be held in ownership by the SHI. At present, the SHRA's system of capital grant disbursement is for new greenfield social housing developments. Invite the National Association of Social Housing and the SHRA to participate in the policy discussion and provide inputs.</p>

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			<p>The Social Housing Regulatory Authority (SHRA) has been engaged and has confirmed it is reviewing limitations on social rental stock within sectional title developments. The National Association of Social Housing Organisations (NASHO) was also engaged in the drafting process alongside 4 of its members.</p> <ul style="list-style-type: none"> ● It needs to be focused. Don't implement rental and sale inclusionary options at once, because each form needs its own system of governance. We are in the 12th year of rental market social housing governance. Build on to what is there. Start with a focus on social housing, with a later implementation date for sales of inclusionary housing units. <p>It is agreed that rental and sale inclusionary options require different systems of governance. The motivation to focus on rental to start with, using existing, established systems is also supported as a simpler way to proceed. The Policy Framework, nevertheless, does not want to remove the sale option as an option should a municipality and a developer prefer this.</p> <ul style="list-style-type: none"> ● It needs monitoring and control: An inclusionary unit, no matter the means of financing, is a form of subsidy. The subsidy is provided to a beneficiary, and usually only assessed at the point of allocation. Without a proper regulatory mechanism to manage the subsidy, the risk of fraud and illegal trading of the subsidy start undermining the intent of the programme. Monitoring and control of the subsidy afterwards is critical to ensure it is always benefiting the people it is meant to. <p>It is agreed that post allocation oversight in terms of a regulatory system is critical to avoid fraud and corruption. It is unlikely however that this can all be resolved prior to the implementation of inclusionary housing practice and solutions may best develop in practice.</p>

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Azeem Hoosain	n/a	General	<p>I agree it will be great if the government can look at inclusionary housing also if it will work, and also the best ways forward for people who dont qualify like middel income people earning over 3500 and between 3500 to 22 000</p> <p>Thank you for the support and confirmation of the need.</p>
Robert McGaffin	UCT/URERU	General	<p>Overall, the policy framework engages with the complexity of implementing inclusionary housing in a systematic and coherent manner. In doing so, the report attempts to cover the key issues and elements of an inclusionary policy in a balanced manner. This is particularly commendable considering the complexities associated with inclusionary housing and hence the difficulties of developing a coherent policy. However, as highlighted below, a number of the issues have not been resolved, which will undermine a municipality's ability to successfully implement an inclusionary housing policy.</p> <p>Thank you. These issues are unpacked further below.</p>
Willem Buhrmann	Willem Buhrmann Associates	General	<p>Being a Town Planner and Valuer having been exposed to any number of frustrating and failed attempts to get viable projects that incorporated various inclusionary housing options off the ground, I believe that at least the following has to be considered:</p> <p><i>In the end any private development must make financial sense to the developer and the financial institution backing / financing such development, also covering their risk. Otherwise there will be no interest in getting involved in any risky property development where there are no clear / definitive guidelines regarding Council's and other authorities' formal policy on requirements, responsibilities and "contributions", i.e. "sharing the risk".</i></p> <p>Yes, the Policy Framework is in agreement with these points.</p> <p>In order to address the above and achieve the acceptance of inclusionary housing in a development all the parties involved will have to make both sacrifices and give undertakings.</p> <p><i>The sacrifices will inter alia have to include:</i></p>

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			<p>1. The developer accepting a Sectional Title or rental scheme with its additional administrative and social issues. One issue being pressure from Council and pressure groups / NGOs to accommodate specific purchasers or tenants.</p> <p>Acknowledged. However, the Policy Framework is clear that the allocation of units is the developer's responsibility in terms of the agreement with the municipality. That this kind of pressure should not be tolerated is emphasised in the revised Policy Framework. The developer's procedure to allocate the units in terms of this agreement should be transparent.</p> <p>2. The developer accepting a reduced return since the sale proceeds and / or rental of the non inclusionary units will not be market related.</p> <p>3. The developer, and Section owners in a Sectional Title development, accepting the additional risk of rental and / or levy defaults on the inclusionary units and the negative spin-off that this will have on the financial viability / status of such development.</p> <p>The issue of affordable levies is indeed a risk and will be a key informant to 1) whether owned inclusionary units is a sustainable option in a development; or 2) whether the in lieu option may be more appropriate in the case of that development. This has been given further attention in the revised Policy Framework.</p> <p>4. Council being able to value the development differently from the current market value approach / basis to account for the forfeiture of income from such development, with a valuation to be based on the income / expenses and risk capitalisation of nett income of the development / project.</p> <p><i>The undertakings will inter alia have to address:</i></p> <p>1. Council introducing a special rating system that will acknowledge the likely zero return to the developer on the inclusionary units, therefore discounting the market value of the property as it may be developed.</p>

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			<p>2. Council waiving all rates on the inclusionary units and the associated communal facilities, in order to make same affordable, i.e. accepting the principle of a nett income valuation for all future rates assessments. The cap rate to be applied will inform the risk associated with each project / development and establish the value to be used for rating purposes, having regard to the other risks to also be taken into account.</p> <p>It is agreed that a specific provision in the municipal Rates Policy will be needed for how rates are determined in the case of inclusionary units. The revised Policy Framework alerts municipalities to this. It is not a forgone conclusion that the developer will not make any return on an inclusionary unit. The rating system is based on property value not on developer return.</p> <p>3. Council reducing rates on the non-inclusionary units by between 25 and 30%, accepting the risk that the inclusionary units will present to the value "destruction" on the non-inclusionary units.</p> <p>This assertion is not evidenced based and is not supported. Should the inclusionary units impact on the value of the market related units – this will in any case be picked up in the valuation of those properties.</p> <p>4. Council to negotiate with Treasury to reintroduce the 12J provisions, even should it only be for inclusionary residential developments. This facility has been withdrawn by Treasury because developers had been abusing it for economic developments only.</p> <p>An enquiry was made with National Treasury and there is no intent currently to revive this incentive. The National Treasury is reviewing its approach to multiple corporate tax incentives.</p> <p>Should the authorities wish to promote inclusive residential options, it will have to think out of the box.</p> <p>Agreed, the private sector's ability to do so will be a key contribution.</p>

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Monwabisi Fani	SALGA	General	<p>Given our background of racial inequality and spatial planning, I definitely welcome an Act that seeks to provide inclusionary housing. It is indeed by time.</p> <p>Inclusionary housing policies are one way to compel property developers to include a percentage of affordable housing units in all developments exceeding a certain size in well-located areas.</p> <p>When one looks at South Africa legal framework, it is clear that municipalities determine the unit ratio and qualifying areas, with provincial governments playing the role of coordinating.</p> <p>While It is a massive step towards spatial justice, inclusionary housing cannot be realized in Cape Town without the City of Cape Town also developing an inclusionary housing policy. This Act does provide guidelines for this however, they must be introduced before to ensure the effectiveness and efficiency of the Act.</p> <p>At the moment, only one municipality, the City of Johannesburg, has adopted an inclusionary housing policy. It is therefore clear upon reading the act that in the absence of local examples of successful inclusionary housing models, the Western Cape government is pitching this inclusionary housing policy framework as a way of "getting started," noting that it will evolve in tandem with the province's inclusionary housing rollout. Currently, only social housing policies administered by Social Housing Institutions (SHI) work directly to bring housing to low-income households in the inner city and its environs.</p> <p>In general, the policy framework serves as a guide for municipalities in the Western Cape as they develop their inclusionary housing policies.</p> <p>Municipality-defined thresholds and ratios are likely to come under close scrutiny, as they will significantly impact the effectiveness of inclusionary housing as a tool for reshaping our cities' spatial make-up. If the policy is too strict, developers will drastically reduce their operations and if it is too lax, the policy may as well not exist.</p> <p>Agreed.</p> <p>The policy framework defines "well-located areas" as synonymous with concepts such as restructuring zones, which are wealthier areas eligible for capital grants under the Social Housing Act.</p> <p>It is important to note that municipalities are encouraged to ensure that the two concepts do not overlap. In a nutshell, well-located areas are those that developers prize for their proximity to public infrastructure, jobs, parks, schools, and other amenities.</p>

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			<p>The draft WC Inclusionary Housing Policy Framework asks municipalities to ensure that restructuring zones and other spatial designations aimed at promoting spatial transformation do overlap. This is very important to ensure that inclusionary developments that may partner with SHIs are able to benefit from the social housing subsidies.</p> <p>While Cape Town's lucrative real estate market will need to adjust, effective implementation of inclusionary housing will assist cities in moving away from their apartheid legacies.</p> <p>Agreed.</p>
Marcelle O'Malley	SALGA	General	<p>The Western Cape's Draft Inclusionary Housing Policy Framework is a very necessary piece of South African documentation as it has the potential to address the legacy of apartheid and spatial injustices. This is essential for a progressive and transformative South Africa. If implemented correctly it will assist municipalities within the Western Cape province to include more affordable housing unit developments.</p> <p>Page 19 paragraph 5 of the Policy Framework does make reference to the incorrect subsection however. Section 155(6) of the Constitution of the Republic of South Africa, 1996 (the Constitution, 1996) is referred to, when section 155(7) of the Constitution, 1996 should actually be referred to as it is this section that states "provincial governments have the legislative and executive authority to see to the effective performance by municipalities of their functions in respect of matters listed in Schedules 4 and 5, by regulating the exercise by municipalities of their executive authority referred to in section 156 (1)". Based on this constitutional provision it can be seen that the Western Cape Provincial Government has invoked their overseeing power/function when the Inclusionary Housing Policy Framework was drafted as they need to oversee and ensure the effective performance of municipalities.</p> <p>The reference to 155(6) will be corrected to refer to section 155(7). In addition reference will be inserted to the duty of provincial government in section 154(1) of the Constitution, by legislative and other measures to "support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions" as well as to section 155(6)</p>

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			<p>of the Constitution which imposes a duty on Provincial Government "to provide for the monitoring and support of local government in the province" (section 155(6)(a)) and to "promote the development of local government capacity to enable municipalities to perform their functions and manage their own affairs" (section 156(6)(b)).</p> <p>For noting: The first certification Judgment (<i>Ex Parte Chairperson of the Constitutional Assembly: In re Certification of the Constitution of the Republic of South Africa, 1996 (4) SA 744 CC</i>) (the first certification judgment), indicated that these three sections should be read together.</p> <p>However, it is important to note that in order for this planning and land use mechanism to be realised and be implemented effectively, municipalities within the Western Cape province need to actually adopt their own Municipal Inclusionary Housing Policy. So far, the City of Johannesburg is the only municipality with a Municipal Inclusionary Housing Policy.</p> <p>In addition, the inclusionary housing policy is not a state housing delivery tool. It is actually a planning and land use mechanism. There is a legal duty placed on municipalities to implement this effectively and approach private housing developers to provide affordable housing at below market rates. Low income earning households as well as marginalised groups will be able to benefit from affordable housing. The affordable housing will be aimed at benefitting those households which earn between R3500.00 and R22 000,00 monthly. It is these households that fall within the gap market; meaning they do not earn enough money to apply to the bank for a bond, yet they earn too much to qualify for a subsidy from the state. However, while the Inclusionary Housing Policy succeeds in providing clear considerations for the diverse group of people who will benefit from affordable housing, it fails as there is no clear stipulation for the need for inclusionary housing to be racially focused, in order to actually address the legacy of apartheid and spatial injustices.</p> <p>The Policy Framework seeks to align itself to the approach of the housing legislative framework which does not use race to define beneficiaries. Nevertheless, the importance of prioritising households previously disadvantaged or suffering the inter-generational disadvantage of historical race-based policies is supported and this is noted in the Policy Framework.</p>

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			<p>As I explained above, the Western Cape's Inclusionary Housing Policy Draft Framework is a very necessary piece of South African documentation as it has the potential to address the legacy of apartheid and spatial injustices only if implemented correctly.</p> <p>Thank you</p>
Shaun Reznik	Blue Buck Projects		<p>We run a small property fund, whose sole mandate is to develop inclusionary housing opportunities in Maitland. We have purchased 8 erven in the western portion of Maitland (between the M5 highway and Koeberg Road) and hope to deliver at least 1,000 units over the next 5 years. Our first project is scheduled to be completed in November 2021 and consists of 143 units.</p> <p>I have a couple comments based on our experiences, and the current inclusionary housing policy document:</p> <ul style="list-style-type: none"> • It is very difficult to get a feasibility to work for inclusionary housing, unless the project is a refurbishment, a 3 storey walk-up, on very cheap land, and/or very small units. This results in poorly located, and very small units being offered to inclusionary households. This is unsustainable, and adds to urban sprawl. Ultimately, development almost always happens either through private investors seeking a return, government grants, and/or government funding/roll-out. • Our erven are zoned mixed-use 2 which allow for 4 time bulk factor. An additional 20% of bulk would accelerate our roll-out substantially; and allow us to develop bigger units. <p>This is useful intelligence, thank you.</p> <ul style="list-style-type: none"> • The ability for developers to gain additional bulk by developing inclusionary housing elsewhere has merit. However, the location of these units must be critically decided. <p>Agreed. The principal objective of the policy – to promote greater inclusion in well located areas – must be maintained.</p> <ul style="list-style-type: none"> • And there should be an additional bulk allowance granted to these other erven/locations. The provision of additional bulk at the other places should go through a quicker or simpler process, and not the current land use management process which can take time.

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			<p>Agreed, the Policy Framework is emphatic on this point.</p> <ul style="list-style-type: none"> An additional implementation tool should be the ability for inclusionary housing developments to have zero development contributions and/or building plan costs. Our combined costs are close on R1M for our first development. Alternatively, there should be a mechanism to ring-fence this cash for the improvement of the surrounding area. <p>The Policy Framework advocates for discounted and/or deferred development contributions for the inclusionary component of a development, precedent for which exists in the social housing sector. Planning application fees is another possible incentive municipalities can consider that has been included in the revised Policy Framework. Development contributions are supposed to benefit the area from which they were generated.</p> <ul style="list-style-type: none"> It is also important that the inclusionary housing income bracket increases/changes with inflation. However, this might create a new "GAP" household bracket in a few years to come. <p>It is agreed that the target income bracket is reviewed regularly to cater for the impacts of inflation. The WCG can play a role in advising municipalities in this regard. Annually updated figures published by BASA are also a reference source for municipalities. This point has been strengthened in the Policy Framework.</p> <ul style="list-style-type: none"> We support the adoption of an inclusionary housing policy <p>Thank you</p>
Laurine Platzky	n/a	General	<p>This draft policy is to be welcomed as it is long overdue, particularly in the Western Cape where there has been much debate over issues of transforming apartheid settlement systems over many years. Clearly there</p>

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			<p>are pressures on the ruling party in the Province to remedy apartheid spatial planning, but in reality it would appear that market forces continue to perpetuate the status quo.</p> <p>This is a very well-considered policy written in accessible language and with clear goals. The biggest challenge will be implementation. South Africa has excellent policies and intentions to transform its apartheid legacy, but little has happened as intervention in the market is required to reverse marginalisation, discrimination and impoverishment. Market intervention is not favoured by many powerful decision makers.</p> <p>The most vulnerable part of this policy is likely to lie in the flexibility, i.e. Contributions to be met on site, off site or as an in-lieu contribution. Without tight controls, which would be resource intensive and undesirable, it will be difficult to reach the intended outcomes, owing to long years of private sector dominance and strong vested interests in this field. But that should not interfere with this timely, worthy and necessary endeavour for the sake of the future of this country.</p> <p>Noted. Thank you.</p>
Lauren Waring	George Municipality	General	<p>The George Municipality is committed to affordable housing facilitation/provision and to spatial transformation and will explore the development of a Municipal Inclusionary Housing Policy in due course.</p> <p>1. Implementation Option</p> <p>It is imperative that the development and implementation of a Municipal Inclusionary Housing Policy, with the related operational; institutional; management; and monitoring systems, is justified in terms of the quantifiable benefit of delivering affordable, well-located units at reasonable scale, in this manner.</p> <p>Facilitation and provision of good quality, affordable housing in positive urban fabric should always be a goal of government, but the choice of methods to achieve this goal must be based on credible, updated data and take the accountability burden placed on municipalities into account.</p> <p>The WCIHPF is understood to advocate a process which will assist George Municipality to decide on whether to adopt a Municipal IH Policy, or not. Decisions on the way such policy is adopted, and which</p>

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			<p>mechanisms will be used in the IH system will be guided by support from the WC DEA&DP but will ultimately be the prerogative of the Municipality.</p> <p>Noted.</p> <p>2. Preparation</p> <p>Two mechanisms are noted in the WCIHPF to support the aforementioned decision process, designed to take local context into account: A Housing Market Study and an Economic/ Financial Feasibility Study. 2</p> <p>Updated property market data is imperative in assessing the applicability of IH in intermediate cities. Assistance from the WC DEA&DP with the setting of Terms of Reference for the two mentioned studies, in alignment with related studies planned by the George Municipality, adjudication, selection, appointment and funding of service providers is required. In this regard officials from George will engage with your office.</p> <p>This is supported in section 7.3 of the Policy Framework. George Municipality has been included in a WCG funded project to conduct 4 Housing Market Studies for intermediate cities and larger towns in the Western Cape.</p> <p>3. Best practice</p> <p>The sharing of information during the process of developing the Inclusionary Housing calculators, value preservation and management structures as well as case studies of successful inclusionary housing projects will be useful. Officials from George will engage with your office to take this request forward.</p> <p>Agreed. The Policy Framework also identifies the need to promote peer sharing and learning in section 7.3.</p> <p>4. Other comments on the Draft WCIHPF</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>a) With respect to the WCIFHP document, note that the reasons for not including IH units within private developments are very vague and interpretation can result in no IH units being made available within new housing estates/areas. These reasons should be re-considered.</p> <p>The revised Policy Framework has taken this comment into consideration.</p> <p>b) A mechanism to enable developers to access existing subsidy even to construct off-site IH units, within project specifications, should be considered.</p> <p>As with on-site provision, off site provision would entail the developer selling or renting the units to the households targeted by the inclusionary housing policy at an affordable rate. Municipalities must be careful that they are not subsidising the developer or the household as this would defeat the object of inclusionary housing policy. The Policy Framework does identify the development of well-located state land as an opportunity to absorb off-site or <i>in-lieu</i> inclusionary housing contributions provided that the contribution enables more than what would otherwise be possible; for example, it could achieve higher yield or deeper reach in terms of more, poorer households benefitting. It is also critical that the development of existing subsidy even does not contribute to the development of poorly located land that perpetuates spatial apartheid patterns.</p> <p>c) A mechanism to allow for the utilization of FLISP subsidy funding within private development should be set in place. The mechanisms should be sanctioned at Provincial level before it can be factored into the motivation regarding municipal adoption of the IH process.</p> <p>Households that qualify and gain access to a FLISP may use this to purchase property in private developments.</p> <p>d) Developers are mandated to identify IH beneficiaries. Should FLISP subsidies be linked to IH provision, the waiting list system of the relevant authority should be used</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>Noted. It is recommended that a municipal housing demand database (i.e., list) only be used if there is a high effective demand for the Inclusionary Housing units in the target market, which may be the case. Perhaps the most efficient way of using the “list” is that the pool of applicants coming through, having undergone some basic vetting (i.e. applicant's credit record is checked), be processed in registration date order until all the IH opportunities are filled (if the FLISP subsidy may be used).</p> <p>e) Bond approval is a problem in the lower affordability levels. Could the value of private development (developer equity) be leveraged in any way to secure loans to beneficiaries? Has the structured buy-in of financial institutions been sought/secured?</p> <p>The Banking Association of South Africa (BASA) has been engaged and did comment on the draft Policy Framework and requested further collaboration. The important principle is that an inclusionary obligation should not increase the risk and cost of capital for the developer, compromising overall development feasibility. This is likely to be a key concern with this idea.</p> <p>f) The monitoring of, and reporting on, the preservation of value places a massive administrative burden on the Municipality in the absence of available structures (Institutions/agents). The cost of employing such institutions/agents to do long term monitoring and reporting must be factored into the IH calculator models. Smaller municipalities will have further capacity constraints in this regard and due attention must be given to this.</p> <p>Affordability preservation is fundamental to the long-term impact and success of the policy. The revised Policy Framework seeks to offer an appropriate duration for affordability preservation. Concerns about municipal capacity are noted and the WCG will look at providing support where it can and forging partnerships to assist. The Municipality may consider limiting inclusionary housing to rental units in this context and, if it has a pipeline of well-located land being made available to SHIs, could express a preference for contributions to be made to SHIs or partnerships between developers and SHIs. The extent of capacity required will also depend on the number of</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>applications likely to trigger inclusionary obligations on an annual basis, which may not be unmanageable in smaller cities and towns.</p> <p>g) The buy-in of existing property, development and construction institutions, to support the IH process, within their cost structures, must be examined.</p> <p>The municipal economic feasibility study should assist municipal inclusionary housing policies to ensure that Inclusionary Housing requirements fall within the cost structures of different typologies of development in a particular city/ town. This study should seek to invite the data, views and experience of local property development/ construction institutions and experts. This point has been made in the revised Policy Framework.</p> <p>h) Socio-economic studies relating to the assimilation of IH beneficiary families/individuals into IH projects and the challenges/benefits of such inclusion, on a perception- and actual quantified benefit basis (for the receiving- and beneficiary community) will assist with the presentation of policies to stakeholders. Province should consider undertaking baseline research in this regard at the minimum.</p> <p>This presumes there are developments with inclusionary housing which are up and running, which is not the case. International research is available and suggests very positive benefits, some of which are quoted in the Policy Framework. Research on the social impact of social housing projects is also documented and presents positive outcomes. The intended beneficiaries of inclusionary housing should also be noted in this regard. Nevertheless, this point demonstrates the importance of ensuring monitoring and evaluation as inclusionary housing policy is implemented.</p> <p>i) Unaffordable levies are one of the challenges faced by families wishing to access accommodation in well-located areas. This issue must be addressed. In the George context, for instance, there is a growing trend of woman-headed households, within the IH target group. Accessing town-house-/group housing accommodation and flats seem to be the preference. Framework guidance on how to address the prohibitive payment of levies will be valuable.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>The issue of affordable levies is indeed a risk and will be a key informant to 1) whether owned inclusionary units is a sustainable option in a development; or 2) whether the in lieu option may be more appropriate in the case of that development. This has been given further attention in the revised Policy Framework.</p> <p>We appreciate this platform to raise questions regarding IH. In addition to the sharing of information on the general mechanisms and processes which will enable the provision of IH, it is of the utmost importance that we establish whether IH is the best way for George to facilitate affordable housing. Understanding the local housing market from both the demand and supply side, is imperative. Quantifying the demand (number of families/affordability levels) and supply of housing, gauging bondability and understanding expectations should be addressed as a first step. The cost- and time implications to set up IH systems of implementation and monitoring (agreements, calculators, stakeholder buy-in, value preservation mechanisms, etc.) can, hopefully be balanced with the quantified benefit IH will bring.</p> <p>Agreed.</p>
Freda Burden	n/a	General	<p>I would like to express my support for the development of an inclusionary housing policy framework that addresses the insidious legacy of colonialism and apartheid that exists in the Western Cape by driving spatial transformation across the province.</p> <p>Thank you.</p>
Melanie Steyn	n/a	General	<p>As a resident, I just want to express my support for this move to inclusionary housing. Actually, it is overdue and I am so glad that Cape Town will grow into a city with a heart.</p> <p>Thank you.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
Roxanne Botman	n/a	General	<p>This is to confirm my support for the Western Cape Inclusionary Housing Policy. Increasing accessibility to the city and improving class and racial integration will serve the city well.</p> <p>Thank you.</p>
Leslie John Swartz	Kensington Facreton Residents and Ratepayers Association (KFRRA)	General	<p>We are pleased to participate in this process and offer our perspectives based on indigenous knowledge and the history of the Kensington and Facreton communities.</p> <p>The Kensington/ Facreton (Windermere) area is approximately 100 years old. It is situated along the busy Voortrekker Rd corridor within the City of Cape Town (CoCT). The suburb is blocked in and lies between the N1 Highway, Koeberg Road, Jakes Gerwel Drive (N7) and Voortrekker Road. Despite its history as one of the first areas to which people were forcibly moved during Apartheid, the area remains under-developed and unable to accommodate population growth. As residents, we are deprived of adequate infrastructure, dignified housing, amenities, meaningful recreation and open spaces, and accessible transport routes. It is a centrally located urban growth point and needs to be developed as a community conducive for family living, learning, working and socialising. However, we are still beset with the consequences of racially segregated urban planning and discriminatory laws long after Apartheid was abolished. Not a single government house has been built here over the past 50 years, leading to massive overpopulation. We have more than 300 backyard dwellers and seven informal settlements in the area.</p> <p>As the KFRRA, we have carefully perused the draft inclusionary housing policy framework to provide constructive comments. We are not opposed to the policy framework and, in principle, support the goals, aims and objectives of inclusionary housing as a mechanism to contribute towards spatial transformation and spatial justice. This will provide more opportunities for people to move to areas that will improve their social mobility.</p> <p>We understand that many private sector developers are committed to social investment. In recognition of the socio-economic and spatial inequalities of the past, our association commends the ambitious commitment from the Western Cape Government to address spatial development in our city.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>However, we remain mindful that the introduction of inclusionary housing incentivized by additional land use rights for developers will be a complex, technical task involving many role players. Therefore, we raise the following points:</p> <ul style="list-style-type: none"> The constitutional responsibility for addressing the housing crisis as per the Bill of Rights lies with the government. However, this legal mandate appears to have been handed over to private developers through the inclusionary housing policy. Inclusionary housing specifies a qualifying household income range between R3 500- R22 000 per month. This range is extensive and covers low and middle-income households but still excludes the residents in our community who are on housing waiting lists and continue to be marginalized. <p>This policy does not replace existing state subsidies and housing interventions. The government will continue to develop housing opportunities as per its mandate, and within its means, but the government also has a broader mandate to ensure that its spatial planning and land use management systems promote spatial justice, redress and inclusion. Government's mandate is not limited to direct provision. At the same time, inclusionary housing is a mechanism to promote affordable housing in well located areas to pursue spatial transformation – a legislated obligation on the part of the state. The Policy Framework promotes an incentive driven approach to inclusionary housing and therefore does not “hand over” a legal mandate.</p> <p>The concern with regard to the definition of the gap market to be targeted by inclusionary housing policy is noted. Private developers must still be able to rent or sell the inclusionary units and to fund these units from the value accrued through additional land use rights. The inclusionary housing mechanism will not address the housing needs of the poorest of the poor for which there are other policy mechanisms and subsidies.</p> <ul style="list-style-type: none"> Despite the developer's obligation to commit to inclusionary housing as a mechanism for spatial transformation and spatial justice in well-located areas, it will only address a small part of the housing crisis by making housing affordable to those who already have some social capital (employment).

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>Agreed</p> <ul style="list-style-type: none"> The obligation placed on developers could undermine their profitability as their prime focus is the traditional, high-end luxury markets. <p>The Policy Framework is at pains to guide municipalities on how to approach the development of their inclusionary housing policy so as not to undermine the feasibility and reasonable profitability of their developments.</p> <ul style="list-style-type: none"> Suppose the purpose of inclusionary housing is to facilitate access to affordable housing in high-value locations and, in so doing, promote spatial justice in our cities and towns. In that case, we find it contradictory that the CoCT has been auctioning off many parcels of valuable land, the closest to us being Century City. Century City is a substantial land market making it appropriate for residential and mixed-use land use. <p>Noted</p> <ul style="list-style-type: none"> We believe that inclusionary housing must include a government-led development to address the housing backlog in our area for people who have been waiting for government-initiated housing development for 50 years. <p>Inclusionary housing is a specific mechanism applied to private developments on private land. Government-led developments will continue but are a separate matter.</p> <ul style="list-style-type: none"> Given the CoCT's disregard for the integrity of this policy, our association requests that a moratorium and suspension be placed on the sale of all property owned by the CoCT. This will allow for broader community debate and discussion around implementing the inclusionary housing policy or alternatives.

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			<p>Noted</p> <p>In conclusion, while we applaud the ambitious efforts proposed in the policy framework to achieve its aims and objectives, we cannot help but remind CoCT that “one size does not fit all”. Until there is a clear understanding of the socio-economic inequalities impacting this disadvantaged community, the inclusionary housing policy framework will be a poorly implemented policy for our KenFac community.</p> <p>Noted. This point can be revisited when the City of Cape Town consults the public on its municipal inclusionary housing policy.</p>
Cor van der Merwe	SSACP South Region	General	<p>There are some reservations about the practicality and feasibility of some of the suggestions proposed in this Framework, which were formulated with the best intentions, are not necessarily achievable for reasons set out below. These should please be seen and read as constructive “criticism” or comments and not as criticism on the thorough document currently being commented on. It is important to voice these concerns because they stem from experience and the reality of what we in the industry experience on a daily basis. There are severe and critical challenges that need to be addressed in order to render the Framework (and any Policy that stems from it) successful.</p> <p>The Framework is silent on the details regarding the critical (financial) aspects relating to sectional title schemes whereby a body corporate will effectively “run” the building’s operations and must accrue levies, ensure the maintenance of the building etc. Levies may also include special levies from time to time. What will happen if an IH unit owner cannot continue to pay levies and expenses? They will forever have to be subsidized by the other sectional owners. This may become untenable and may have serious and negative impacts on sectional title schemes and how developers/future owners decide to develop or buy. It may put people off from buying into a scheme, for example. It must be remembered that the implications of introducing IH and such units into a development does not end once the construction is over and when the developer walks away; there is a very practical and real “life” of the building after construction and occupation. There is an attempt to refer to this under Section 5.vii.f on page 22 of the Framework – but how will this work?</p>

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			<p>The revised Policy Framework identifies the importance of municipalities ensuring that inclusionary units are valued differently and therefore rates are adjusted. The issue of affordable levies is indeed a risk and will be a key informant to 1) whether owned inclusionary units is a sustainable option in a development; or 2) whether the in lieu option may be more appropriate in the case of that development. This has been given further attention in the revised Policy Framework.</p> <p>It is unfortunate that the same amount of energy, time and “political will” is not ploughed into trying to get our railway systems in working and safe order. Whilst IH is not opposed in principle, if the trains worked properly and if they were safe and reliable it would mitigate to a large extent the need to bring more residents into the city. With the current dysfunctional train system all the commuters are forced onto buses, taxis and cars. The dysfunctional railway system is the root of the problem!</p> <p>Noted, however, the need for spatial transformation remains. Should poorer households continue to travel the longest and incur the most travel expense, even with a better functioning rail system?</p> <p>the Association generally supports the policy framework, although does still have concerns about:</p> <ul style="list-style-type: none"> • It’s perhaps a bit unfair for such a both new and complicated topic, but the framework does come across as very much a work in progress, with a wide range of suggestions as to how IH could potentially be implemented. In other words greater policy certainty/direct guidance would be ideal, but hopefully, like the policy acknowledges, this will develop in years to come after “trial and error” implementation. • The ability of our resource strained municipalities and economically “battered” development industry to actually implement this very complex mechanism. <p>Successful municipal inclusionary housing policies do depend on the property market functioning well. This concern is noted. The economy goes through cycles and the introduction of this Policy Framework is aimed at putting building blocks in place.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
Ndaxola Samuel Nkalashe	Jazzinthenati veyards	General	<p>Jazzinthenativeyards supports the initiative by Ndifuna Ukwazi and partners to create a corridor of talent exposure and social mix through an affordable housing policy with people below the line of Cape Town property prices being given an opportunity to economy activity.</p> <p>Thank you.</p>
Jacqueline Samson	Drakenstein Municipality	General	<p>The Municipality acknowledges that the Policy Framework is “is a spatially targeted mechanism that relies on the regulatory system of planning permissions to oblige property developers to provide affordable housing at prices below those targeted by their development. Inclusionary housing leverages the greater societal role in creating land value, along with the significant increase in the value of land, as a consequence of granting new or additional land use rights.”</p> <p>Herewith the comments from Drakenstein Municipality.</p> <p>a) The need for a Western Cape Inclusionary Housing Policy Framework is crucial in creating sustainable human settlements in the province. This policy is supportive to objectives including spatial transformation, spatial justice, and social inclusion that is mandated by legislation such as the Spatial Planning Land Use Management, Act 16 of 2013 (SPLUMA) and the Land Use Planning Act, Act 3 of 2014 (LUPA).</p> <p>b) The introduction of such a policy may be deemed as complex and the implementation thereof may be seen as comprehensive since it involves the active participation of many role-players such as developers, municipal officials and other government officials from various departments, the public, civil society, landowners, etc. However, this is a positive step in order to create spatial equality in residential developments and addressing the provision of affordable housing opportunities in well located areas.</p> <p>Agreed.</p> <p>c) The policy does refer to guidelines for the development of inclusionary housing policies for municipalities, however, it’s important that the provincial departments assist, support and guide municipalities in order to prepare good practice inclusionary housing policies. A suggestion is that this policy includes examples of acceptable and appreciable inclusionary housing developments and maybe</p>

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			<p>also include urban design principles and guidelines. This would be helpful for municipalities whereby a 'standardized' conceptual design framework is given for the province albeit conditions are different in various parts of the Western Cape and this may require other principles/guidelines/ideas/solutions.</p> <p>The suggestion of a 'model' municipal inclusionary housing policy is supported. The gathering and sharing of best practice examples as part of the municipal support programme has been included in the Policy Framework.</p> <p>d) Whilst we encourage the contribution of the private sector in providing more affordable housing opportunities, the policy should guard against being too punitive which adversely affects the return on investment and thereby discouraging the possible investment by the private sector.</p> <p>Agreed, the Policy Framework advocates an incentive-driven approach.</p> <p>e) The Municipality is strongly reliant on income from the payment of rates and taxes to deliver services to all its residents. Where this is impacted by development restrictions, which reduces the possible income, the Municipality, must prevent the implementation of a policy that adversely affects the broader community whilst promoting the interest of a few. In order to address this, the Municipality will consider the following to promote equity:</p> <ul style="list-style-type: none"> - The Municipal rates and tariffs will need to be adapted to ensure that affordable housing units are able to benefit from rebates where applicable, in order that the municipality's own policies do not undermine affordability. - The Municipality must ensure that these units are appropriately "tagged" to ensure that the valuations process recognises their status as inclusionary units and as such should not be valued (and taxed or rated accordingly) as neighbouring open market units might be valued. Precedent exists for this in terms of how erven which carry social housing developments are valued and taxed accordingly". <p>Supported, thank you for leading the way. The importance of doing this has been incorporated into the revised Policy Framework.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>f) The Policy Framework must include measures to ensure that both ownership and rental options are provided for to enable access to housing opportunities in well located areas.</p> <p>Noted. This is also a choice the municipal inclusionary housing policy can take forward noting the implementation consequences associated with the different tenure options.</p> <p>g) The Policy Framework should include measures to guard against gentrification.</p> <p>Noted.</p>
Pierre Venter	The Banking Association of South Africa	General	<p>We acknowledge the importance of collaborative efforts between government and key stakeholders towards the creation of sustainable human settlements... We have over the years publicly promoted and continue to promote the need for sustainable human settlements, as we hold the view that this would be in the public interest and a positive contributor to the broader socio-economic landscape of the country. We also recognize and support the need for the Department [of Environmental Affairs and Development Planning] to involve several role-players and stakeholders in efforts to foster a property market that is inclusive and robust.</p> <p>...</p> <p>On-going utility/rates and taxes/ sectional title levy costs</p> <p>The Draft Policy Framework does not address the monthly utility/rate and taxes/sectional title levy costs, which for many low/affordable housing households represents an unaffordable cost and jeopardises their ability to remain in their inclusionary housing home. As these costs attract the highest secured creditor ranking (they even rank ahead of a mortgage bond), should a municipality/body corporate initiate legal recourse to recover arrears debt, such families would lose their home or alternatively, they would rent this out and relocate back to periphery areas which are affordable. It follows that the Draft Inclusionary Housing Policy Framework needs to address this key matter.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>The revised Policy Framework identifies the importance of municipalities ensuring that inclusionary units are valued differently and therefore rates are adjusted. The issue of affordable levies is indeed a risk and will be a key informant to 1) whether owned inclusionary units is a sustainable option in a development; or 2) whether the in lieu option may be more appropriate in the case of that development. This has been given further attention in the revised Policy Framework</p> <p>We are in principle supportive of the need for a housing policy framework that seeks to be inclusive and responsive to the country's changing spatial and land use conditions.</p> <p>Thank you</p>
Rashiq Fataar	Our Future Cities	General	<p>It is admirable that an Inclusionary Housing (IH) framework has been drafted given that little has been done thus far in the Western Cape - outside of policy parameters and ideas – to enable the private sector in delivering IH units. Ultimately, the delivery of IH relies on an ecosystem of parts which includes amongst others: establishing a functioning relationship between the municipal officials and private sector, a stable or growing economy and a commitment to delivering inclusionary housing projects (with targets where possible) even where projects may not be entirely perfect.</p> <p>Inclusionary housing taps into the energy and resources of the private sector i.e. acquiring land, holding land, designing, planning, and construction - which can at times take 5 years.</p> <p>While there is a need for this framework, for quite some time tools have existed that have already been available at a municipal level to expedite or even give priority to the delivery of affordable housing or a form of IH. For example: reducing red tape, improving the town planning application delays and so forth. We would caution against cities and towns starting 3-5 year IH policy formulation periods without using what is already at their disposal.</p> <p>Supported.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>The provincial IH framework should not be viewed as an isolated policy instrument but be seen as part of a wider affordable housing strategy/plan for SA cities. That is massive amounts of affordable housing should have been delivered year on year for over 2 decades with IH acting as an addition to this to support integration and the goal of a more equitable city.</p> <p>These two conversations can not be had separately.</p> <p>Agreed.</p> <p>The WC government and City of Cape Town have multiple parcels of land - in all sizes – that have been identified but not been released from Woodstock to Salt River to Parow, Goodwood and the broader Bellville Area. These sites are ideal for affordable housing developments and therefore, must be utilised and can support IH development - alongside other affordable housing delivery such as student housing, gap housing and social housing units.</p> <p>Agreed. The WCG is committed to reviewing government property for well-located land for affordable housing across the province, and to developing an associated land release programme that will continue to target at least 50% of the yield for affordable housing. A number of projects are underway that are also testing the feasibility parameters for affordable housing integration into private developments.</p> <p>What has blocked or stifled any form of large scale government delivery of affordable housing must be addressed before expecting the private sector to do what government agencies have not done in over 20 years i.e. well-located affordable housing for a diverse set of household incomes.</p> <p>Noted. It is argued that they need to happen in parallel. Inclusionary housing is one instrument that assists municipalities to meet their legislated obligation to prevent further perpetuation of exclusive spatial development patterns in private land markets.</p> <p>Furthermore, in principle, we support mandatory inclusionary housing approaches within areas identified in 6.1.3 as suitable for IH for example, within restructuring zones and Human Settlement Housing</p>

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			<p>Development Areas given South Africa's history of racial segregation and also taking into consideration the residual spatial and socio-economic segregation in our post-Apartheid urban landscapes.</p> <p>If mandatory approaches are to be adopted, more guidelines are required to ensure how incentives will be attractive to developers, and how these incentives can be utilised. For incentives to be attractive, there should be a basket of incentives from which developers can pick and choose. But ultimately, and crucially, incentives to encourage IH developments must remain attractive to developers in the short and long term, i.e they should be both feasible and viable and a culture of accessing incentives to make developments a reality should be developed.</p> <p>The Framework guides municipalities to undertake economic feasibility studies which will <i>inter alia</i> test the suite of available incentives and their feasibility and impact and inform the development or local adaptation of an inclusionary housing contributions calculator. The nature and impact of incentives will differ from one town to another.</p> <p>We also remain cautious about the barriers of implementing IH policies at the municipal level. For this reason, we argue that IH policies drafted within the WC province need to be context-specific and tailored to the various unique contexts and housing markets.</p> <p>Agreed. The Policy Framework advocates this approach.</p> <p>We also argue that the WC provincial government as well as the City of Cape Town must play their part in releasing state owned land in well-located and accessible areas, for the rapid implementation of IH by the private sector.</p> <p>Noted. It is acknowledged that well -located, suitable land in state ownership must also be released as a parallel strategy to deliver affordable housing and promote greater inclusivity in the better performing parts of our cities and towns. For this reason, the WCG has committed itself to doing so and has set precedent in this regard, with the Conradie Better Living Model Project in Cape Town in the implementation stage and the Founders Garden / Artscape Precinct. These are</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>termed “mixed-market” projects. Inclusionary housing is specifically related to privately owned and driven developments.</p> <p>Other barriers to ensure IH delivery at scale are the generally slow development application time-frames in the SA context. This approval period must be sped up, especially in the application for IH proposals in well-located areas within Cape Town.</p> <p>Agreed.</p> <p>The provincial IH framework vaguely mentions various stakeholders, however financial and property institutions and their influence in the market property play a notorious role in creating inclusive and gentrified communities. For future IH policies derived from this framework to be effective In a South African context and remedy spatial transformation, it’s success would lie in how accessible tenureship is to individuals.</p> <p>Noted</p> <p>Whilst long-term affordability preservation has been conceptualised through the method of maintaining property value market and balancing gentrification, the strategy is not clear. In order to maintain accountability and effective service delivery and administration within the system, clear, efficient and robust systems of managing and regulating the income certification system will need to align with financial institutions.</p> <p>Agreed. Affordability preservation is fundamental to the long-term impact and success of the policy. The revised Policy Framework seeks to define the term for affordability preservation. This can also be tested in the economic feasibility studies. Transparency on income certification is a critical component of the successful implementation of a municipal IH policy. This is admittedly not simple. For this reason, municipalities may consider rental inclusionary units a preferred approach to ensuring tenure preservation.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>There needs to be a cultivation and support of a delivery culture across South African cities. The Western Cape is no exception. The dismally slow pace of any affordable housing delivery across the province must be called out as failure by the local government. Each local government or municipality within the province must play their part and partner with private sector developers by building a culture of appropriate and attractive incentives. With the right incentives, developers will realise the economic benefits that can be derived, leading to more viability for IH developments and ultimately homes for families and individuals.</p> <p>Agreed.</p> <p>Over the years, the OFC has sat in countless meetings with the various agencies and actors where IH has been talked about for over 5 years, yet there has been, and there continues to be, no clear action plans to actually deliver any IH units. This clearly demonstrates an urban policy failure. A way forward would be for the framework along with other parties encouraging a pilot phase. That is, Western Cape encourages municipalities to approve or “kickstart” 2 to 5 pilot IH projects (depending on the size or resources of the context) over the next 2 years.</p> <p>There are a number of existing private sector projects that have voluntarily incorporated an inclusionary housing contribution.</p> <p>Of course, a ‘one-size-fits-all’ approach to IH delivery does not work and IH incentives and planning mechanisms should suit their local contexts depending on the land values and needs of an area.</p> <p>Agreed.</p> <p>Another asset within local governments that must be harnessed is improvement of local property data systems. Such detailed data allows one to quantify the value of rights and incentives and supports municipal valuations - without building complicated and unnecessarily complex models. Good, frequently updated data would also support municipal capacity in packaging and marketing development incentives to developers to encourage incorporation of IH units in their developments.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>Agreed, this point in the Policy Framework has been strengthened.</p> <p>Ultimately, the provincial IH framework must pave the way for effective IH policies at the local scale that promote delivery over policy. There is a great urgency and need for IH, as an addition to massive amounts of affordable housing almost completely absent from the Western Cape’s landscape.</p> <p>IH has been thrust into the media and academic spotlight and it is time that IH delivery actually starts. Greater delivery of IH units will surely promote greater integration of cities and thereby contribute to goals of greater equity in South African cities.</p> <p>Agreed.</p>
Christian Alexander	n/a	General	<p>The stain of Apartheid has left an indelible mark on South African communities. The spatial segregation of people based on race, a foundational aspect of the Apartheid regime’s policy and ideology, is still jarringly present in the Western Cape. Indeed, while inclusiveness is a fundamental principle upon which the new South Africa has been imagined, the exclusionary character of many communities in the Western Cape is as bad as ever more than 25 years after the beginning of democracy in this country. Urban land markets are now perpetuating and exacerbating the unequal and segregated nature of South Africa’s cities, undermining societal principles and limiting the opportunities afforded to urban inhabitants.</p> <p>The Draft Western Cape Inclusionary Housing Policy Framework May 2021 (“Framework”), under consideration now, is a welcome and overdue step towards establishing mechanisms that guide urban development, redress historical inequalities, and create an integrated and inclusive society. Without taking this and other steps, the Western Cape Provincial Government (“Province”) risks failing to satisfy its constitutional and legal obligations.</p> <p>Historically in South Africa, planning and land use laws and policies were used expressly to exclude and segregate people based on race, resulting in some of the most extreme urban segregation in the world. This effect, while no longer legally enforced, is now enforced through the market. In the Western Cape, as is the case elsewhere in South Africa and in many other parts of the world, urban land markets entrench</p>

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			<p>historic segregation and inequality with respect to access to the benefits of the city. It is therefore necessary to address the issue of affordable housing in order to dislodge the exclusionary character of these communities. Inclusionary Housing (“IH”) is one such tool.</p> <p>IH policies originally developed as regulatory land use tools to expressly counter policies and practices that were historically used to exclude access to housing in areas based on race and class. As the Framework notes, while intimately tied to housing, IH is a land use policy at heart, and it may be used to direct and guide land use for the greater public good, just as other land use and zoning policies may do so. Such regulations are an evolution of the law in response to the needs and prerogatives of modern cities, and are now as well established as other older legal means of restricting land use, such as nuisance and trespass.</p> <p>South Africa’s Constitution and national legislation empower, and arguably obligate, the Province to take steps like the Framework to address inequitable access to housing. South Africa’s Constitution, the supreme law of the land, guarantees the right to adequate housing, and mandates that the government take reasonable legislative and other measures within its available resources to achieve the progressive realization of this right (s26). South African courts have confirmed that the right to housing goes beyond actual “bricks and mortar,” and includes planning and land use regulation and policy. South Africa’s Constitutional Court has interpreted the government’s responsibility under the Constitution broadly with respects to redressing historical inequality and ensuring equitable access to basic rights, such as housing.</p> <p>The national planning framework, provided by the Spatial Planning and Land Use Management Act (“SPLUMA”), specifically adopts as guiding principles and policy goals addressing the planning legacy of racial inequality and segregation and promoting social and economic inclusion through planning (see preamble, ss 3(b), 3(f), 7). SPLUMA requires implementation of land use schemes that promote the inclusion of affordable housing (ss 24(d), 28). As the Framework notes, SPLUMA also specifically authorizes provincial IH policies and requires municipalities to implement such policies through identification of the spatial parameters for implementation (see, s21(i)).</p> <p>Implementation of the Framework, if expressly adopted as the Province’s IH policy identified in s21(i) of SPLUMA, would help give greater effect to the provisions provided in SPLUMA and strengthen the legal</p>

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			<p>basis upon which municipalities could pursue local IH policies. Housing and development policy entails overlapping spheres of authority by municipal, provincial, and national sphere of government. Housing and urban development are expressly included within the ambit of Provincial competence, while municipalities are responsible for municipal planning and local land use regulation. The Province is tasked with regulating the exercise of municipal functions. The Framework properly acknowledges the central role that municipalities must play in tailoring IH policies to meet the particular circumstances of their jurisdiction, and it provides the needed flexibility to allow municipalities to address their particular context.</p> <p>A critical contribution of the Framework is to set a clear path for municipalities seeking to implement IH policies. As noted by many observers, this has been a clear stumbling block at the municipal level, particularly in Cape Town. The past 15+ years of discussion over implementing IH policies in the Western Cape—without any actual implementation—demonstrates that there needs to be true governmental commitment to act on such policies. The growing absence of headway regarding adequate housing and equitable access to the city, either through IH or other policies, increasingly exposes all levels of government to legal challenge based on the failure to live up to their constitutional and statutory mandates.</p> <p>The unfortunate success of Apartheid planning in achieving the sort of spatial segregation seen today in the Western Cape and South Africa is a testament to the impact that planning and land use regulation can have on a society. It is past time to harness planning and land use regulations, such as IH, with the same conviction and dedication but with reverse purpose.</p> <p>Thank you, this input has assisted in improvements made to the revised Policy Framework.</p>
Anneline Turpin	Legal Resources Centre	General	<p>II. The Need for Spatial Transformation</p> <p>5. The right to housing as enshrined in section 26 of the Bill of Rights in the South African Constitution provides that:</p> <p>“(1) Everyone has the right to access to adequate housing. (2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.</p>

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			<p>(3) 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.”</p> <p>6. Apartheid national spatial development logic ensured that people of colour resided as far away as possible from the country’s economic hubs, but still within economically- feasible exploitation distance.</p> <p>7. Post-apartheid town planning within South Africa has continued with the spatial discrimination in that; new low-income housing developments tend to be located on the periphery of cities in a phenomenon known as inverse densification, where the majority live far from economic opportunities, services, and amenities. In South Africa this has been exacerbated by the rising cost of well-located residential properties coupled with a general failure of our government to implement social and affordable housing.</p> <p>8. In 2015 the Spatial Planning Land Use Management Act (SPLUMA) 16 of 2013 came into effect, placing the objective of achieving spatial justice firmly as a principle for all future development decisions. The object of SPLUMA is to correct spatial development planning and land use laws and practices that were “based on racial inequality; segregation; and unsustainable settlement patterns...”</p> <p>9. SPLUMA seeks to specifically redress imbalances of the past to create equity in spatial planning, and to address past spatial and regulatory imbalances that were the consequence of racially discriminatory legislation.</p> <p>10. SPLUMA is a framework for spatial planning and land use management for planning at all levels of government, including the provincial and municipal level. The object of SPLUMA is to provide for a uniform and effective system of spatial planning and land use management within South Africa that promotes social and economic inclusion.</p> <p>11. The High-Level Panel on the Assessment of Key Legislation and the Acceleration of Fundamental Change, States that: ‘Colonialism and apartheid have left South Africa with a deeply divided and inequitable distribution of people and economic activity. This spatial inequality traps disadvantaged communities in</p>

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			<p>poverty and underdevelopment, creates inefficient cities, and robs poor, rural people of secure livelihoods. The Panel makes recommendations that seek to break this damaging spatial pattern that is built on past laws, which marginalized the black majority to the outskirts of the cities and to Bantustans to preserve key assets, economic opportunities and the wealth of the country for the white minority. The legacy of spatial inequality appears intractable despite the National Development Plan and the Spatial Planning and Land Use Management Act's (SPLUMA's) focus on it. This issue needs an integrated solution that goes beyond the mandate of any one government department or specific level of government. Thus, the Panel recommends creating a structure that can operate and craft solutions in an integrated fashion, while also recommending some specific urgent interventions to address barriers that continue to deny property rights to the majority and marginalize them from the core economy. The release of well-situated urban land to mitigate the legacy of the apartheid city is an urgent priority.'</p> <p>12. National planning for the purposes of SPLUMA consists of the compilation, approval and review of spatial development plans and policies or similar instruments including a national spatial development framework. The making and reviewing of these policies and laws are necessary to implement South Africa's national spatial planning. Further in terms of section (5)(3)(c) of SPLUMA the reviewing of policies includes measures designed to monitor and support other spheres of government in the performance of their spatial planning, land use management and land development functions.</p> <p>13. To ensure that the objects of SPLUMA are realized it is necessary that SPLUMA tools be established and implemented. The SPLUMA tools being;- principles, policies, directives and national norms and standards be used to achieve important urban, rural, municipal, provincial, regional and national development goals and objectives through spatial planning and land use management.</p> <p>14. The state's obligations have recently been affirmed in the case of Adonisi and Others v Minister for Transport and Public Works Western Cape and Others, where the Court stated: "It is fair to say that the statutory and policy framework which finds its origins in the Constitution and the legislation mandated thereunder, renders it necessary for the state to redress the legacy of spatial apartheid as a matter of constitutional injunction. The constitutional and statutory obligations of these tiers of government to provide</p>

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			<p>access to land and housing on a progressive basis, encompass the need to urgently address apartheid’s shameful and divisive legacy of spatial injustice and manifest inequality.”</p> <p>III. Recommendations and Comment on the Draft Inclusionary Housing Policy Framework</p> <p>15. Inclusionary housing policies, that seek to leverage developers in developing more affordable housing and foster social inclusion, has been debated in South Africa for decades. Despite this, the widespread implementation of inclusionary housing policies remains rare; with the City of Johannesburg being the only municipality to implement a comprehensive inclusionary policy in 2019. Spatial Apartheid planning, particularly in the City of Cape Town, has exacerbated inequality. This has further negative socio-economic consequences for the majority of people who are unable to afford housing in high-value locations that are well serviced in terms of proximity to employment, health facilities and schools. It is against this background that we welcome the DIHPF as it acknowledges the need for municipalities to adopt inclusionary housing policies.</p> <p>16. We welcome the DIHPF as it aims to target the gap market or those that “fall between the cracks of the state-assisted housing delivery programmes”. However, placing an emphasis only on income bands may hinder the diversification aim of inclusionary housing. Instead, a more intersectional approach should be adopted where factors such as race, income, gender be looked at simultaneously. Furthermore, given the Covid-19 pandemic many people have had their income reduced or have had to shoulder additional financial responsibilities which must be considered in light of the proposed income band.</p> <p>The Policy Framework does also identify race and gender as a consideration in setting the framework for beneficiary targeting in a municipal policy. Housing market studies at city/ town level will determine the affordability gap informed by current economic circumstances of households to the extent that updated data is available.</p> <p>Recommendation: Affordability of Beneficiaries</p>

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			<p>17. Notably, the proposed income band (R3 501 – R15 000/ R22 000)⁷ is expansive and it is likely that developers may only prefer to include the upper end of this band in their developments. This would inadvertently exclude those that the policy seeks to cover. In relation to this, it may be prudent to incentivise developers to prioritise those at the lower end of the band and possibly have a minimum threshold that developers should meet in terms of allocating units to the lower end of the band.</p> <p>This is acknowledged in the Policy Framework, which advises municipalities to disaggregate the definition of the target market and set the targets for allocation between the lower and upper ends and the middle of the target market. This is to ensure a distribution of beneficiaries that does not benefit only the upper income groups within the range. At the same time there is a careful balance between the value generated and the inclusionary units that must be found to ensure the development remains feasible. Economic feasibility studies at a town level can determine the extent to which a minimum threshold can feasibly be identified that developers should meet in terms of allocation to the lowest income households – this has been identified in the revised Policy Framework.</p> <p>18. Additionally, the general guideline households should not pay more than 1/3 of their income on household expenses should also consider the fact that the cost of living in Cape Town is significantly higher than other towns in the Western Cape and adjustments need to be made based on this.</p> <p>Understood. Salaries are also higher in Cape Town. Differing opinion, evident in this document, has been received on whether 1/3 of household income should be used as a benchmark. Certainly, when units are allocated, individual household circumstances will be carefully scrutinised to ascertain affordability.</p> <p>19. It is important to note that owners of sectional title units will be liable for the payment of levies and special levies that trustees raise from time-to time. This is a further financial burden that will be placed on the beneficiaries who already earn within the band (R3 501 – R15 000- R22 000).</p>

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			<p>Yes, this is acknowledged as an issue that challenges the provision of owned inclusionary units as a viable mechanism for inclusionary housing in South Africa. Cross-subsidisation mechanisms would need to be built into the Constitution of the Body Corporate, set up by the developer in the first instance. Other uses, such as retail within a development, may provide a facility to cross-subsidise inclusionary units, provided that this is built into the Body Corporate constitution.</p> <p>20. The test for affordability extends beyond the personal finances of the proposed owners, but ought to include the maintenance of the common property.</p> <p>Noted, this links to the question of subsidisation of levies.</p> <p>21. In instances, where households do not 'pass' the affordability test' we recommend that a levy subsidy be provided to the households to ensure that they are not evicted from their homes as a result of not being able to meet the levy payments, resulting in homelessness.</p> <p>A levy subsidy would need to be funded from within the development or by government and cannot be the burden of neighbours. It would need to be structured into the constitution of the Body Corporate when set up by the developer and funded through alternative income sources. This is complex and a consideration in the feasibility of the ownership option for inclusionary units. It is not the intention that inclusionary units enjoy ongoing state subsidisation.</p> <p>22. We recommend safeguards such as state subsidies for maintenance in the Sectional Title Act to support tenure to realize the substantive right of access to housing, in order to ensure that a beneficiary will not lose their housing benefit and likely will not further qualify for another housing assistance subsidy.</p> <p>This is not sustainable in the current fiscal environment of the state.</p> <p>23. Education and training are required to ensure that beneficiaries are aware of their obligations as part of a sectional title scheme.</p>

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			<p>Agreed.</p> <p>Recommendation: Timeframe for implementation</p> <p>24. There needs to be a set time for Municipalities to implement the inclusionary housing policy framework, once the DIHPF is implemented.</p> <p>The inclusion of recommended timeframes is not considered appropriate insofar as timelines are resource dependent, which differs across municipalities and the Policy Framework advocates an incremental approach. The inclusion of timeframes may undermine this approach. A further consideration is the absence of the availability of legal mechanisms for the enforcement of timeframes</p> <p>25. There needs to be a further time set for appropriate mechanisms, systems and procedures to be put in place in order to achieve the objectives of the DIHPF.</p> <p>Timelines are resource dependent. The Policy Framework advocates incrementalism as a way of getting started and considers the scope for municipal policies to continue the policy development process. Many of the mechanisms, systems and procedures need to evolve and adapt in practice. The Policy Framework cannot set these out in complete form from the outset. Nevertheless, an Implementation Plan has been incorporated into the revised Policy Framework with respect to provincial actions to be taken.</p> <p>Comment</p> <p>26. The LRC welcomes the proposal that consideration be given to local households currently being pushed out of gentrifying areas.</p>

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			<p>Noted, as will be evident in this document, this point has been contested. There is however a pragmatic element to this principle.</p> <p>27. Modern development trends consist of “micro apartments” in cities which are ill-suited to families and multi-generational households which characterise South African Society. We therefore welcome the criteria laid out in the DIHPF related to what inclusionary housing should look like and that it must include minimum standards of fixtures.</p> <p>Thank you</p> <p>28. Importantly, there needs to be clear guidelines on who the beneficiaries of inclusive housing should be. The guidelines are mandatory to mitigate corruption as well as ensure that the policies target the correct, qualifying beneficiaries in line with the purpose of inclusionary housing. We welcome the inclusion of previously disadvantaged and vulnerable groups.</p> <p>Noted</p> <p>[THE COMMENT INCLUDES A CASE STUDY OF THE CLAREMONT ROAD MOSQUE CASE. A SUMMARY OF THIS CAN BE READ HERE: https://www.africa.com/the-claremont-main-road-mosque-and-the-fight-for-spatial-justice/]</p> <p>V. Conclusion</p> <p>We welcome the DIHPF as a bold step towards addressing spatial inequality and injustice within the Western Cape. Currently, affordable housing is built on the periphery of the city, away from public facilities, jobs and schools. Our comments and recommendations set out a need for further safeguards in order to ensure that inclusionary housing provides an effective answer in providing inclusionary housing to previously marginalized persons. As illustrated in the case of the Claremont Main Road Mosque case, there is an urgent need to have clear guidelines and an inclusive land use policy to ensure that developments do not reproduce the inequality of Apartheid Spatial planning.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
Jonty Cogger and Robyn Park-Ross	Ndifuna Ukwazi	General	<p>In summary, Ndifuna Ukwazi's broad recommendations are as follows:</p> <p>7.1. The Policy Framework should be amended to reflect a racially targeted approach which prioritises Black (Save as otherwise stated, 'Black people' refers to, and includes African people, people of Mixed Descent and classified as 'Coloured' under the apartheid system, and Indian people (as per the definitions in equity legislation such as the Employment Equity Act, 55 of 1998)) families for the affordable units generated out of inclusionary housing policies.</p> <p>The Policy Framework seeks to align itself to the approach of the housing legislative framework which does not use race to define beneficiaries. Note further comment in this regard above.</p> <p>7.2. The Province should lower the upper affordability threshold of R22,000 and take a stronger position on the need for income brackets to further break down this broad category. There should be a proportional spread of households across the income bands (based on the number of people falling into the various brackets in a specific context) to ensure that municipal policies provide truly affordable housing.</p> <p>The Policy Framework notes that the gap may be defined differently across towns and hence the need for the Housing Market Studies per town to determine this gap, which may indeed, based on evidence, lower the upper income threshold of the "gap", as well as to inform the proportional allocation of units to different income segments within the gap. The targeted income range defined as a guide in the Policy Framework allows for alignment with other mechanisms which could support the feasibility of inclusionary housing implementation – such as the use of the FLISP subsidy and partnering with SHIs. The principle the Policy Framework follows is to define the range more broadly, rather than narrowly, to provide flexibility for the municipalities in the determination of the income range to be targeted by their policies. The Policy Framework has been revised to strengthen the importance the proportional allocation of units within the targeting income range.</p> <p>7.3. The Policy Framework must take full cognisance of both the impact of rates, levies and taxes on ensuring truly affordable housing particularly as well as the impact of the COVID-19 pandemic and the resultant economic downturn on what is affordable.</p>

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			<p>City/ town level Housing Market Studies should ascertain the impact of COVID and the economic downturn on household income and the housing affordability gap. Similarly, economic feasibility studies will assist municipalities to understand the impact on development feasibilities.</p> <p>The Policy Framework advocates that inclusionary units have specific treatment in valuation policies which will impact on rates. The issue of affordable levies is a concern that the Policy Framework has sought to explore and guide further.</p> <p>7.4. The Policy Framework must be clear that municipal policies must ensure that inclusionary housing units are affordable in perpetuity.</p> <p>The Policy Framework does make this point but has been revised to offer guidance on a timeframe for understanding "perpetuity".</p> <p>7.5. The Policy Framework should provide clearer recommendations and guidelines to municipalities on the details of when which form of contributions should be made (on-site, off site and fees in lieu) to ensure municipal policies that create well-located affordable housing.</p> <p>Noted. This has been worked on further in the revised draft Policy Framework.</p> <p>7.6. The Province must provide interim guidelines for municipalities to implement in lieu of policy, or while policy is being developed.</p> <p>The revised Policy Framework includes a section providing interim guidance.</p> <p>7.7. The Policy Framework must outline recommended time frames based on international experience for the drafting of municipal policies, to ensure timely policy drafting and support the ability of civil society to hold municipalities accountable through the drafting process.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>XXXXX</p> <p>7.8. If the Province continues with a land value capture framing, the Policy Framework must provide the clear legal mandate for this mechanism to avoid legal challenges.</p> <p>This concern has been noted and taken into consideration in the revised Policy Framework.</p> <p>7.9. An implementation plan for the Policy Framework is included to ensure follow through action, at least from the Province.</p> <p>The revised Policy Framework includes an implementation plan with regard to provincial activities to support its implementation.</p> <p>7.10. The Policy Framework should outline the additional resources and support that the Province can develop or resource in order to assist municipalities implementing well-crafted and spatially just inclusionary housing policies.</p> <p>The Policy Framework includes a municipal support programme and actions in section 7.3.</p> <p>7.11. The Province should investigate international best practice in terms of management and stewardship of inclusionary housing units in order to understand both the risks of placing private developers as profit driven actors in this role, as well as the management and stewardship solutions that have been established elsewhere.</p> <p>Noted. The management and stewardship arrangements employed internationally are poorly documented. They tend to rely heavily on local government and independent organisations. Nevertheless, this will be an important ongoing research and development effort.</p> <p>[The summary comments from Ndifuna Ukwazi have been included here, as they represent the core issues raised in the more extensive comment document. The province notes and has</p>

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			considered the more detailed inputs in the full document in responding to the summary comments above].
Frank Cumming	City of Cape Town: Urban Catalytic Investment		<p>This seminal Draft Policy Framework [paves] the way to greater policy clarity in relation to one of our city's most pressing challenges - the need for housing, and finding creative ways to facilitate greater private sector participation in service delivery. The draft policy framework is comprehensive and addresses many of the challenges that have hampered Inclusionary Housing delivery to date, so is most welcome.</p> <p>The Framework outlines a clear approach for Municipalities within the province to develop their Inclusionary Housing policies, and establishes the considerations that must be considered by municipalities when taking into account different contexts and different property markets. The Framework also clearly sets out how, with the use of Overlay Zones, and the MSDF, requirements can be imposed.</p> <p>Noted. Thank you.</p>
Margot Drake	n/a	General	<p>As a South African and as a (rate paying) Capetonian, I would like to note my total support for the development of Inclusionary Housing in Cape Town and the Western Cape, and I welcome the draft planning policy on this.</p> <p>However, I have some real concerns.</p> <p>* To what extent can an Inclusionary Housing Policy achieve meaningful and equitable spatial transformation if it is just going to be a land use mechanism (and not housing delivery?)</p> <p>Inclusionary housing is a partial solution to the issue of access to affordable housing in otherwise inaccessible parts of the city where land markets are not affordable. It is explicitly not a programme designed for housing delivery at scale, but a spatial transformation programme – trying to create affordable housing opportunities in better locations and leverage alternative resources, such as land use rights, to support this.</p>

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			<p>* To what extent can an Inclusionary Housing Policy achieve meaningful and equitable spatial transformation if developer's needs and profitabilities and incentives seem to be major concerns and drivers?</p> <p>Inclusionary housing relies on the property market to facilitate opportunities for affordable housing; as such, if the systems do not contribute to developer viability inclusive of the inclusionary units, nothing will be achieved. The Policy Framework recognises that many regulatory processes drive up development costs, diminishing affordability and that municipalities need to pay attention to these. The incentives are aimed at making the inclusionary units possible. The benefit is not to the developers.</p> <p>* I understand that there is existing policy in place, but in terms of spatial transformation and redress, what happens to the people who earn below R3500 per month? Do they continue to live on the outskirts of the city, and become even further marginalised?</p> <p>This is a valid concern. However, this policy is aimed the gap market which has been previously under-catered for in state housing and land use policy – falling through the gaps as a result. As the partnership is with the private sector, beneficiaries must be able to pay rent or towards a bond. If developers partner with Social Housing Institutions, it is possible that poorer households may benefit. Social Housing Institutions are required to develop on well located land and do, to a limited extent, offer units to households earning less than R3,500.</p> <p>* Who decides which areas are to be used for Inclusionary Housing? Just the Municipality? Stakeholders other than 'the developers'?</p> <p>These areas must be designated by the municipalities Municipal Spatial Development Framework which must, in its development, be publicly participated.</p>

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			<p>* My major concern really - that underpins all of the above is this: - is this draft policy really pro-poor, or is it carefully designed to maintain a lot of the (inequitable, unviable) status quo, while giving an appearance of transformation? (and to this end also - I think that off-site and in-lieu contributions should be taken off the table completely.)</p> <p>This concern is valid given the current state of South African cities and towns. However, the WCIHPF is a genuine attempt to contribute towards the correction of spatial imbalances that continue to exist after apartheid. But it cannot be the only means to achieve spatial transformation.</p> <p>While the <i>in-lieu</i> and off-site policy options do present risks, and should not be used as the default option, they also present opportunities to achieve greater value for money and in turn improve affordability or deeper reach to lower income households, such as through <i>in-lieu</i> contributions to SHs that can otherwise not afford well located land.</p>
Deon van Zyl	Western Cape Property Development Forum	General	<p>[The comments below are extracts of the actionable items from the WCPDF's broader comments]</p> <p>It is necessary to place on record the position that the WCPDF has held throughout the various engagements with these organisations and in engagements with both the Western Cape Provincial Government and the City of Cape Town:</p> <p>2.1 The development and building industries represent one of the largest employment sectors. Construction is not only the quickest way of getting employment activated, but also the easiest and most efficient way of getting money to some of the poorest communities in the country.</p> <p>2.2 This sector, and by implication its beneficiaries, suffer under ever increasing legislation and volumes of policy and regulations generated by all spheres of government, resulting in a direct inflationary impact on the end users of our products.</p> <p>2.3 This sector further suffers directly under the inefficiencies in government which, on the one hand, is incapable of proactively creating infrastructure capacities while on the other suffers from its inability to process the plethora of statutory applications preceding any fixed capital investment.</p>

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			<p>2.4 The private sector has and continues to explore the market opportunity of entry-level housing where land and production costs allow and where market take up either exists or is projected to exist.</p> <p>These points are noted. It not self-evident however that the private sector would develop entry-level housing in locations where a greater return can be made targeting higher income markets.</p> <p>2.5 In instances where the private sector has attempted to introduce inclusionary housing certain projects have been subject to political veto. Any policy framework such the that being proposed needs to reflect both political and private sector buy-in if it has any chance of having any real impact.</p> <p>This point is supported and speaks to why an inclusionary housing policy is an important accountability instrument to have in place with respect to decision-makers. The revised Policy Framework highlights this risk.</p> <p>2.6 The introduction of inclusionary housing-related offsets on new development, as proposed by this policy framework, is nothing other than an additional tax on the end users of newly created product, whether it be on products to be sold or leased into the market. The developer is an intermediatory who, although initially taxed, passes on all additional costs including surcharges to the end market.</p> <p>Noted. The purpose of an Inclusionary Housing Policy and the designation of areas where such a policy would apply in the MSDF is to provide predictability to the private sector to factor the costs of such 'offsets' into the price paid for the land acquired by the developer. The obligation is proportional to the value of the additional land use rights asked for/ made available to the developer.</p> <p>The sales price of market related units is determined by costs but also by what the market is prepared to pay. The developer can only sell the units at a price affordable to the market.</p>

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			<p>2.7 Inclusionary housing looks to the developer to undertake government's responsibly on its behalf: i.e. identifying and providing development opportunity, running the gauntlet of the statutory application processes, sourcing the development capital, providing the development and construction production management, and ultimately carrying the development risk.</p> <p>Responding to the housing needs of South Africans is a whole of society responsibility. The government plays an extensive role in meeting the housing needs of the poor in South Africa. The Policy Framework emphasises the importance of the role of government in limiting, as far as it can, the risks a developer is exposed to. It is acknowledged that what the Policy Framework says should happen and what is happening do not align in all municipalities, but what the Policy Framework does do is bring attention to the importance of the state's role in de-risking development to promote affordability. The Policy Framework is not advocating that the private sector provide free housing; nor is it suggesting that inclusionary housing must be provided without any quid pro quo in respect of land use rights or other incentives.</p> <p>2.8 Rather than imposing a development tax, government should formally procure the skills and resources that the private sector can and will provide, should it be approached on reasonable market-related terms.</p> <p>Noted.</p> <p>2.9 The WCPDF is not averse to the concept of inclusionary housing and sees this sector as a growing and potentially profitable sectors that deserves attention as a new addition to our industry sector. The WCPDF is however concerned that government's approach to this new property category is not considered in detail and does not appreciate the impact that the proposed tax will have, both in terms of development viability.</p> <p>Noted. The Policy Framework is at pains to emphasise the principle that development viability should be protected and that feasibility studies should determine the thresholds beyond which an inclusionary housing obligation will compromise viability and what measures are required to secure viability. The purpose of the Policy Framework is to unpack in detail the implications of introducing</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>inclusionary housing policy and to identify research required before introducing municipal policy, in order to understand impact at an appropriate scale.</p> <p>2.10 The limited number of inclusionary housing units, at a disproportionate amount of resource requirement from both public and private sector to produce and manage these limited number of units, confirms the activism underpinning this policy. If the time and cost investment to date by government was directed to the release of government-owned urban land for housing delivery, an exponentially big impact could already have been achieved towards urban housing delivery.</p> <p>While the exponential impact in some cities and towns of releasing well located state land is accepted, this is not necessarily the case across all cities and towns in the Western Cape. Just the contribution of 100 units in one development in the Cape Town CBD is not a miniscule contribution. There are a number of high-density residential developments being constructed in the Cape Town CBD that are not making a contribution to affordable housing. As a result, the pattern of exclusion continues. It is acknowledged that the extent of inclusionary units is relative to the number of residential units built by the private sector and this may not be significant in the short term, but that will change on a cumulative basis.</p> <p>2.11 The WCPDF supports the principle that government should lead through example in delivery of well-located land prior to imposing an additional development tax on the private sector.</p> <p>The WCG is of the view that in several instances it is leading by example. The WCG further supports the point that national and local government should be doing the same. The demand for affordable housing in our cities and towns is such that it cannot be one or another, but all avenues towards increasing supply should be explored. On-site inclusionary housing is not a tax.</p> <p><i>In-lieu</i> contributions are different, and whether they are understood as a tax or not will depend on many factors, including how they are implemented at a municipal level. The WCPDF's input on</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>municipal policies that may incorporate <i>in-lieu</i> contributions will be important in developing policy that is viable and effective.</p> <p>Intention of Draft Policy It is argued that the intention of the draft policy framework is to provide context within which municipalities should draft their own respective inclusionary housing policies. It leapfrogs to the conclusions that the logical funding model is that of land value capture as the method of carrying the cost of inclusionary housing.</p> <p>For some reason, the policy framework elects to ignore the most important point, that local authorities should undertake introspection, question whether their own systems and policies are delivering equitable urbanity and seek to find routes of optimisation to release scarce resources for the purpose of, inter alia, providing inclusionary housing.</p> <p>It further assumes that society, or at least the immediate open-market tenant or purchaser, can subsidise the proposed surcharge in lieu of development opportunity. It ignores the fact that any additional surcharge facilitates further exclusivity, knowing that a smaller section of the market will be able to pay the additional cost.</p> <p>The Policy Framework does advocate that Municipalities carefully review their land use management systems to ensure that procedures and requirements are necessary and the system is run as efficiently as possible, noting that unnecessary and inefficient procedures play their own role in driving costs and mitigating against affordability.</p> <p>The concept of land value capture has been misunderstood. The cost of the obligation to contribute inclusionary housing units is factored into 1) the price paid for the land; and 2) the value of the additional land use rights granted, over and above the developer's existing rights. The Policy Framework advocates careful preparation to ensure that the inclusionary ask is proportional to the value of the additional land use rights.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>Noting that any private sector will only be able to carry the cost of a small number of inclusionary housing units, it should be acknowledged that this policy is not intent to address the mass housing crisis. The miniscule contribution that this policy framework will generate in new housing opportunities speaks to the fact that, at best, this policy will lead to lip service or political window dressing.</p> <p>Noted.</p> <p>Concept of tax vs selling of development rights</p> <p>The draft policy framework spends some time arguing that the concept of land value capture is not a tax. To assist in clarifying this point, the definition of tax is noted to be the following:</p> <p>“A tax is a compulsory financial charge, or some other type of levy imposed on a taxpayer by a governmental organization in order to fund government spending and various public expenditures.” Wikipedia</p> <p>“Tax is a compulsory contribution to state revenue, levied by the government on worker’s income and business profits, or added to the cost of some goods, services and transactions.” Google Dictionary</p> <p>The concept of land value capture is, by implication, transactional in nature. A charge is levied in lieu of a privilege granted to a developer to undertake its business activities.</p> <p>There can be no doubt that the proposed use of land value capture is a form of levy charged to the developer. There can also be no doubt that this levy is raised to address government’s constitutional obligation, i.e. the addressing of historic wrongs and the delivery of housing.</p> <p>Either the levy constitutes a sales transaction by which a developer and, by implication, its end users pay for the development rights, or alternatively it is a tax on the business activity of the developer.</p> <p>Noting that SPLUMA does not allow the sale of development rights, we give the benefit of the doubt to the drafters that it is not their intention to equate land value capture as a sales transaction. The only alternative</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>description for the concept of land value capture can therefore be that it is a taxation of property development.</p> <p>An on-site inclusionary housing obligation required as a condition of planning approval is not a tax. As with many other planning conditions, the municipality seeks to balance the interests of the developer and those of broader society in terms of the municipality's development objectives, including the need to build more inclusive towns and cities. For every middle-to-higher-income house built, more affordable housing is needed to cater for the needs of these higher income households – to provide for nurses, teachers, police officers, and other key workers. It is not the sole responsibility of the state to cater to the housing needs of the affordable and conventional housing market segment. The WCIHPF identifies how these costs of meeting this obligation can be compensated for via predictability (so that this cost can be factored into the price paid for land), additional land use rights, discounted development contributions for the inclusionary units, and other mechanisms.</p> <p>The WCIHPF seeks to set out policy options that municipalities may want to pursue in their inclusionary housing policies to allow for some policy flexibility. In this vein the Framework identifies the option of an <i>in-lieu</i> fee – as this represents revenue that may be paid to the municipality, this may indeed fit within the definition of a tax. However, there may be strong reasons why a developer themselves and a municipality may consider this a preferable avenue to follow in a particular case, guided by the criteria set out in the Framework and a municipal policy.</p> <p>Noting that a developer will pass on all taxes to the end users, the proposed land value capture methodology is therefore not dissimilar to the concept of value-added tax.</p> <p>Development costs, including meeting the terms of a planning permission, are factored into the overall costs of a development and inform the decisions of a developer in terms of land price paid, development rights applied for, development specifications, and other factors. All of this</p>

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			<p>determines the sales price of a unit that can be sold on the open market. Meeting the conditions of a planning approval is not a tax.</p> <p>We call on the drafters of this policy framework to acknowledge that the proposed policy framework is, by implication, promoting the raising of additional taxes on the end users of residential property development products.</p> <p>The Policy Framework clearly identifies where the costs of meeting an inclusionary housing obligation should be “absorbed”: the land price, the value of land use rights additional to those already held by a developer, expediting land use management decision-making processes and discounting fees and charges associated with the inclusionary units. Inclusionary housing does not, nor should it, tax the end user of residential property development.</p> <p>Proposed alternative focus in redrafting the policy framework</p> <p>The argument presented leads one to conclude that a fundamental redraft of the policy framework is required. The following structure and areas of focus are proposed:</p> <p>7.1 Acknowledge the failure of government to address social integration.</p> <p>The Policy Framework does acknowledge current problems in the housing delivery system. However, social integration is a whole of society responsibility and is not limited to the state. In the same way that it is not only the actions of the state that have resulted in spatial apartheid.</p> <p>7.2 Acknowledge government’s lack of socially integrated housing stock. 7.3 Acknowledge government’s inability to manage its own housing stock on an ongoing basis. 7.4 Understand the private sector in term of its attributes, its abilities and the risk context which it can or cannot tolerate. 7.5 Co-opt the private sector into a partnership to strategize a viable and feasible policy framework.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>Various ways in which this could be done were discussed with the WCPDF during the drafting process, and the outcome of these discussions informed and were incorporated into the policy framework.</p> <p>7.6 Recognise the need for socially integrated housing stock for the following purposes: 7.6.1 Create economic opportunity for all</p> <p>Inclusionary housing addresses the need for spatial transformation in our cities and towns, addressing the limited availability of affordable housing opportunities close to places of employment. It is therefore an opportunity to contribute to creating the basis for economic opportunity for all.</p> <p>7.6.2 Recognise the need to break down anonymity between various grouping in South Africa</p> <p>This is a clear benefit of inclusionary housing.</p> <p>7.6.3 Identify the opportunities that complex urban societies offer to all role players 7.6.4 Recognise the need of employers to have strategic staff living close to their place of opportunity and define the possible role of employers in the provision of inclusionary housing.</p> <p>The Policy Framework is premised on the principle that it is important that employees are able to live closer to work. Employee housing is identified in the Policy Framework as an opportunity in section 6.2. The WCPDF's contribution to how this can be further developed would be welcome and can be taken further in municipal inclusionary housing policy development.</p> <p>7.6.5 Recognise the sharing of resources such as education, social facilities, and business networks, and what new opportunities such networks can provide.</p> <p>7.7 In context of the previous points, consider resources currently available prior to attempting to tax the private sector:</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>7.7.1 Identify and release underutilised public sector land for inclusionary housing.</p> <p>7.7.2 Package public sector land and release this to the private sector to develop for inclusionary housing.</p> <p>7.7.3 Optimise government resources in the form of public-sector salaries and wages and redirect underspent capital budget savings towards inclusionary housing.</p> <p>7.7.4 Optimize existing statutory processes to facilitate higher levels of private sector investment, thereby generating more income in rates and taxes which in turn can be utilised for inclusionary housing.</p> <p>The need to optimise statutory processes is supported and specifically advocated for in the Policy Framework.</p> <p>However, it is not self-evident that higher levels of private investment would generate more income in rates and taxes that would be sufficient to secure well located affordable housing opportunities as higher levels of investment would likely drive property prices further up.</p> <p>7.8 Once a process of optimisation has been concluded, a phased approach to the provision of inclusionary housing should be implemented:</p> <p>7.8.1 Phase One: Lead by example. Develop state-owned land directly or in partnership with the private sector.</p> <p>The WCG has a number of projects underway to package public land and make it available for development of development inclusive of affordable housing.</p> <p>7.8.2 Phase Two: Explore relationships between employer and employee. The opportunity exists for employers to engage on behalf of employees and to provide bridging funding or surety for employees to enter the formal housing sector. In this instance, the use of well-located public-sector land at subsidised rates is critical.</p> <p>The principle is supported. It is nevertheless applicable to the private sector as much as it is to the public sector and its land.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>7.8.3 Phase Three: Incentivise the private sector to also provide inclusionary housing through tax rebates and financial incentives.</p> <p>The Policy Framework discusses a range of incentives and the revised Policy Framework engages further on the Urban Development Tax incentive.</p> <p>7.8.4 Phase Four: Tax the private sector only as a last resort.</p> <p>Conclusion and way forward</p> <p>This comment has illustrated how the Western Cape Inclusionary Housing Framework Draft has not explored the practical impacts that a broad-brush stroke approach will have on the property market. It has also not considered a constructive and phased approach whereby government can create confidence by leading by example. It has elected to look outwards to the private sector before spending sufficient time doing introspection on its own failures, on the one hand, the optimisation of resources already available.</p> <p>The Policy Framework does not advocate a broad brushed approach. It guides municipalities to undertake city/ town specific housing market studies and economic feasibility studies</p> <p>The draft policy has, under the provocation of various activist groups, elected to focus on the concept of land value capture and to resultant taxation of property development.</p> <p>This point is not agreed with.</p> <p>The policy has not acknowledged the failure of government to address the required social restructuring envisaged in the Constitution.</p> <p>The legislative framework in South Africa does not identify the provision of housing opportunities as an exclusive mandate of government. The Housing Act, 1997 (No 107 of 1997) (section (c)(i)-(iii)), for example, states in its general principles that all spheres of government must: ensure that</p>

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			<p>housing development (defined as inclusive of public and private residential environments) “provides as wide a choice of housing and tenure options...”, “is economically, fiscally, socially and financially affordable and sustainable” and is based on integrated development”. Further, the SPLUMA, 2013 (No 16 of 2013) in section 24 2 (d) – (g) compels a municipality, in its land use scheme, to promote spatial transformation in policies and plans across government and specifically to promote the inclusion of affordable housing in residential development.</p> <p>The policy framework has not unpacked the real attributes that the private sector naturally brings to the table, nor has it elected to collaborate with the private sector in drafting the policy framework.</p> <p>Multiple engagements were held prior to the publication of the draft Policy Framework with the WCPDF, specifically inviting input and guidance to the drafting team.</p> <p>The WCPDF repeats its position that it is not opposed to the concept of inclusionary housing. It is fundamentally opposed the concept of taxation when alternative funding options are patently clear. It also questions the Provincial Government’s intention of disguising the need to fix existing inefficient processes and costly delays under the guise of incentivisation.</p> <p>The WCG does not disguise the need to fix existing inefficient processes and costly delays under the guise of incentivisation.</p> <p>The WCPDF remains committed to the concept of inclusionary housing and repeats its offer to work with government to identify and strategize on methods by which quality and effective inclusionary housing can be delivered. This will however require a fundamental mind shift on the part of all parties and will require innovative thinking.</p> <p>We trust that the comments made will be given due consideration. We look forward to the collaborate drafting of a new draft policy framework.</p>

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			<p>The WCPDF was consulted one-on-one in the drafting of the Policy Framework and was engaged via the Provincial Property Development Forum. Various policy modalities were discussed, and the Forum was invited to partner. The WCG has made a sincere and concerted effort to engage with the private sector in the drafting of the policy framework.</p> <p>The WCG has always clearly acknowledged that inclusionary housing policy is just one instrument amongst many that we need to bring to bear to tackle the challenge of generating well located, affordable housing opportunities. The WCG has made it clear that creating affordable opportunities for people to live in better locations is one of 4 spatial transformation focus areas which include improving public transport and creating vibrant economic nodes. It has also been consistently clear that the draft policy framework is complemented by a commitment to review government property for well-located land for affordable housing.</p> <p>The WCG is leading by example through a number of its mixed market projects and the land it makes available for social housing projects in well located areas. The intention of the policy framework is indeed to do the very thing the WCPDF suggests – tap into the innovation, delivery emphasis, access to capital and managerial skills that the private sector offers.</p>
Daniel Plato	City of Cape Town	General	<p>It is acknowledged that the draft Framework provides high level policy guidance and is an enabling framework that allows municipalities to make decisions around this mechanism. Although WCPG's endeavour to establish a framework to support municipalities in their development options of inclusionary housing is appreciated, the City is of the view that municipalities should be empowered to make their own choices around land-use and land-use mechanisms.</p> <p>Municipalities are indeed empowered to make their own choices around land use and land use mechanisms in pursuit of legislation obligations and policy commitments to pursue spatial transformation, inclusion and integration, as set out in the SPLUMA, the LUPA and the municipalities' own IDPs, MSDFs and other planning and policy instruments.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>While the draft Framework is supported, it should be noted that the City has concerns relating to WCPG's role and the possibility of infringing on municipal constitutional mandate. In some instances, the draft Framework appears to be too technical in nature and therefore goes beyond only providing high level guidance to municipalities. It is recommended that the draft Framework is reconsidered and revised to ensure that the line between providing guidance and imposing instructions is not blurred.</p> <p>Guidance need not necessarily be limited to high level. As a Framework, the Policy Framework is aimed at providing as much information and guidance as possible to municipalities (of uneven knowledge on the subject) to assist them in understanding inclusionary housing and policy considerations. The Policy Framework has been reviewed to ensure that it does not infringe on municipal mandates.</p>
Neil Schwartz	V&A Waterfront	General	<p>1. Expediting land use procedures is seen as an incentive for private landowners to provide IH. However, such an incentive needs to be assessed against additional administrative requirements on top of existing pre-application and application processes, e.g. pre-application engagement with the municipality to confirm applicability of the IH Policy, the quantum of IH contribution, feasibility, on-site, off-site or in lieu contributions; and conclusion of an Inclusionary Housing Agreement between an applicant / landowner / developer and a Municipality to accompany the planning approval, as described on page 22 of the draft framework.</p> <p>This risk/ concern is noted. The Framework has been amended to emphasise the importance of ensuring that municipal inclusionary housing policies are accompanied by approved, clear protocols, along with supporting information and procedures to reduce this risk.</p> <p>2. Further incentives include removing or reducing planning requirements, such as parking requirements, or discounting or deferring the payment of Development Contributions (DCs) for the affordable component. In the City of Cape Town, the effectiveness of removing or relaxing parking requirements as an incentive should be assessed given the coverage of Public Transport (PT) / parking zones which already minimise or completely remove parking requirements; the overlap between PT zones and areas defined as well-</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>located (along public transport corridors and nodes) means that minimal parking provision may not be a strong incentive to provide IH.</p> <p>The specific incentives used by each municipality will be determined by individual municipal inclusionary housing policies informed by assessing the impact of various incentives in the economic feasibility study. With the City's revised approach to PT1 & 2 zones, parking may yet be considered an incentive opportunity.</p> <p>3. The resource requirements for larger municipalities, including the City of Cape Town, should be considered; training / capacity building of municipal officials and Municipal Planning Tribunal members may be required prior to the implementation of an IH policy to ensure that there are no unnecessary delays with applications and to ensure that there is consistency in policy application and decision-making.</p> <p>Noted, the revised Policy Framework has expanded on this point.</p>
Stephen Muller	Overstrand Municipality	General	<p><u>Legality</u> Is it legal to force the private sector into providing a certain housing product at a certain price if the constitution mandates the National and Provincial Government to provide housing?</p> <p>Housing is a mandate of all three spheres of government and this mandate does not prescribe that it is only the responsibility of the state to provide the housing, but it is rather to ensure that housing is provided in a manner that is inclusive, affordable, sustainable and integrated (Housing Act, 1997 (107 of 1997)). The municipality is legally obliged to promote spatial justice, to address historical spatial imbalances and to <i>inter alia</i> adopt a land use scheme that promotes the inclusion of affordable housing in residential development (SPLUMA, 2013 (Act 16 of 2013) section 24). The legislative framework in South Africa empowers municipalities to apply inclusionary housing policy.</p> <p>The Policy Framework advocates an incentive driven approach where the take up of significant additional land use rights is linked to inclusionary housing. Provided the necessary policy and</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>legislative provisions are in place, as guided by the Policy Framework, it is legal. The Policy Framework sets out the existing and required policy and legislative provisions.</p> <p>Explanations are given in terms of other legislation such as SPLUMA giving a mandate for this to a local authority. However, this is not to say that it is constitutionally correct.</p> <p>This comment is not substantiated. Legislation is valid and binding unless and until set aside by a Competent Court.</p> <p><u>Possible Unintended Consequences</u> If one assumes that it is legally possible to burden the private sector by providing certain housing products at a certain price, it could have consequences for the housing market.</p> <p>For instance, a developer in a high-end market normally profits from construction cost as well as the popularity and demand for living units in a certain area. If a developer is forced to subsidize construction costs and any other costs the developer will most probably relay the cost to other clients, being either middle and upper income classes. This could affect the affordability of products.</p> <p>Secondly, in some areas developers rely more on the direct profit they make from the construction side. Meaning the construction process needs to be as efficient as possible to increase their profits.</p> <p>If they are forced to subsidize inclusionary housing it would affect their profits and as the profit margins in this instance is limited, could force them out of that market.</p> <p>This would have a severe negative impact especially in rural municipalities and delivery of housing opportunities to the middle-income group.</p> <p>It is not clear why inclusionary housing would impede the efficiency of the construction process, there will be more construction opportunity, provided additional land use rights are used as an incentive as advised.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>The Policy Framework advocates a responsible approach to ensure that economic feasibility studies are undertaken to determine triggers, thresholds and contributions that do not undermine feasibility for a developer inclusive of reasonable profit margins. The intention of the Policy Framework is to guide the MSDF and municipal policies to give sufficient warning to prospective developers so that they can factor in the cost of an inclusionary housing obligation into the price offered for the land, inform the quantum of additional development rights asked for and associated incentives to be granted to a developer to “fund” the provision of the inclusionary units. The developer will only be able to market the open market units at a price which is attractive to the market.</p> <p><u>Rural Municipalities</u> The situation in rural municipalities differ vastly from the situation in Metro’s. Although similar segregated apartheid patterns are still evident the effect is much different.</p> <p>In rural towns most of the previous disadvantaged areas are within a very short distance to their jobs or businesses and would inclusionary housing thus have very little impact on the community patterns and settlement patterns.</p> <p>Housing market studies and economic feasibility studies would confirm the need and opportunity for inclusionary housing in these towns. It should not be assumed that the time, cost and safety burden of travel to work opportunities does not place a disproportionate cost on the poor, of the larger rural towns in particular, and on women especially. Even in smaller towns, infrastructure like railways and highways continue to function as significant spatial barriers. This is particularly acute in settlements where non-motorised transport is the dominant mode of transportation. This however should be understood on an evidence basis when determining if an inclusionary housing policy is necessary in a town/ city.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>However, separate development should not continue because the distances are still walkable for poorer communities to access opportunities in the more well-established areas of town. The legislation requires all of government to pursue spatial transformation and rectify historic development patterns of the past. Smaller, wealthier towns are growing to the point that distances are not walkable or poorer households will spend significant amounts of time walking, perhaps not in safe conditions and at the expense of other pursuits. Spatial barriers like highways and railway lines also continue to segregate communities, and mean that distances that appear to be short to walk actually take up significant travel time.</p> <p><u>Municipal Policies</u> Taking into account all information needed to ensure a relevant policy at all times would be a daunting task for local authorities. Local authorities are under severe financial and personnel capacity constraints. Therefore, to draft, update and maintenance of such a policy will most likely not be possible.</p> <p><u>Implementation of such Policies</u> The implementation of such policies could have a huge impact on officials who need to oversee the management, implementation and reservation of inclusionary housing.</p> <p>Concerns about municipal capacity are noted. Capacity building will be required at both the Provincial and Municipal spheres of government to realise an operational IH process. Support is available to assist willing municipalities. Partnerships are also possible, with NGOs, academic institutions, community organisations, SHIs, and other bodies. Policy choices to be made in the development of municipal inclusionary housing policies should also be informed by operational practicalities.</p> <p><u>Rental versus Ownership</u></p> <p>It should be carefully considered what one wants to achieve with inclusionary housing.</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p><u>Rental</u> If the units are made available on a rental base only, it would ensure that there is permanent stock available for this sector. Thus, if a lessee gets another job appointment in another town the rental stock becomes available for other people. Opportunities would then be preserved and available for future beneficiaries.</p> <p>The preference for rental as a more practical means to support tenure preservation is supported.</p> <p><u>Ownership</u> If the inclusionary units are sold it becomes very difficult to reserve, it for future beneficiaries. People benefitting from this would most likely acquire the property by means of a bond from a bank. If they default, the bank would repossess and sell it on.</p> <p>Secondly, the beneficiaries would most likely want to use the property to barter with or to sell it to the highest bidder to benefit their financial position.</p> <p>It would also be very difficult to manage this as no subsidies from National and Provincial, or Local Government are involved.</p> <p>Currently even with a restriction clause on alienation of RDP housing which is not effective it would even be more difficult with inclusionary housing.</p> <p>Affordability preservation is fundamental to the long-term impact and success of the policy. While it is agreed that ownership is a more difficult route to go, for the reasons outlined, while ensuring tenure preservation, the Policy Framework has included this so that municipalities are alerted to the implications of permitting owned inclusionary units and the necessity for measures to secure tenure preservation.</p> <p>The way forward In light of the framework suggesting the way forward for Local Authority to draft their own Inclusionary Housing Policies I want to suggest that Province take the initiative to establish a working group where</p>

Comment made by	Organisation	Point of Reference	Comment and Response
			<p>provincial officials and municipal officials (especially representing the Rural Municipalities) assist with draft a Model Policy to be used as basic by land authorities.</p> <p>Further to investigate the grey areas highlighted by the framework</p> <p>Local municipalities can decide whether or not they want to draft and implement their own inclusionary housing policies according to the parameters defined by the WCIHPF. The WCG will provide assistance where possible in the drafting of this policy. The idea of a municipal working group and a model policy is supported.</p>

Comment made by	Organisation	Point of Reference	Comment Proposed Response
DEFINITIONS			
Pierre Venter	The Banking Association of South Africa	Pg 3	<p>The definition of Affordable Housing reads: “National Government determines that the affordable or “gap” market refers to housing targeted at households earning less than R22 000pm. Affordability can fluctuate dependent on the context (place) in which housing is available (City of Cape Town, 2020) and time (i.e., depending on the supply of housing and the cost).”</p> <p>Recommendation</p> <p>We recommend that the Department considers aligning the definition for Affordable Housing as articulated by the Financial Sector Code (FSC) which is a measurement of lending activity that defines the Affordable Housing target market to be the approximate cost of bonded entry-level housing in the country, capable of being mortgaged, adjusted annually by the midpoint of the average Consumer Price Index (CPI) and the average Building Cost Index (BCI). Similarly, non-mortgage loans used for housing purposes (improvements/ additions/ purchases of a fixed nature (excludes white goods, curtaining etc.) is adjusted by the midpoint of the average Consumer Price Index (CPI) and the average Building Cost Index (BCI). The average annual CPI figure is obtained from published reports from SA Statistics and the BCI figure from the Bureau for Economic Research (Stellenbosch University). The Department would be able to source the amended target market from the public website of The Banking Association.</p> <p>For 2021 the Affordable Housing market as calculated by The Banking Association comprises households earning a gross income of up to R26 100 per month, the “Gap” Housing market as households earning a gross income of up to R22 000 per month and the minimum loan size for the non-mortgage market as R1 600.</p> <p>The affordable housing definition has been revised to take this comment into account, thank you.</p> <p>For the purposes of municipal inclusionary housing policies drafted under the WCIHPPF, the affordable housing market will be determined based on the National Government and FSC definitions, as well as outcomes of housing market and feasibility studies. This will vary from place to place. A prescriptive definition of the gap market that applies to all municipalities</p>

			could lead to municipal inclusionary housing policies targeting an income range that does not meet the local affordability gap.
Cor van der Merwe	SAACP South Region	Pg 3	<p>1. There is no definition of “Inclusionary Housing”, which I would think is critical for an “Inclusionary Housing Policy Framework”. There is a definition of “Affordable Housing” – is this the same as IH?</p> <p>A definition for inclusionary housing has been included in the revised Policy Framework.</p> <p>2. The Smart Partnership Programmes definition uses the SHI and SHRA acronyms as part of the definition, without these being described in full. This makes it quite difficult for the reader to understand what a Smart Partnership Programme is. It is suggested that these terms be included in the definitions section.</p> <p>These acronyms have been spelt out in the definition in the revised Policy Framework.</p> <p>3. “Density bonuses” definition:</p> <p>a. We suggest to use same/similar terminology as DMS, i.e. not “Floor Area Ratio” but “Floor factor/floor space”.</p> <p>b. Expand definition to also give lee-way (benefits) regarding the provision of parking. Explanation: by allowing a developer “additional dwellings” may trigger a higher parking requirement, and as a result a parking departure. There should be relaxations with regard to parking as well.</p> <p>The definition has been amended as proposed.</p> <p>c. What does “..in exchange for public or a social good” mean? If a developer beautifies or create a park, adds playing equipment etc. does that count too?</p> <p>Density bonuses can be used an incentive for a range of public policy objectives. In the instance of this Policy Framework, it is understood identified as an incentive that can be used to enable inclusionary housing.</p>

		<p>4. Be mindful of difference between definition of “Affordable Housing” and “Gap market/housing”. The former states “less than R22 000pm” and the latter refers to “>R20k pm”. This leaves a bracket of R21k pm? I am not sure if the difference between the two definitions is clear enough.</p> <p>The definitions have been revisited.</p> <p>5. Housing/Property Ladder definition: Framework must clarify what happens if an owner of an IH or a Gap Market/Housing unit starts earning more than the minimum required amount to qualify. We suggest specifically use the word “owner” as the definition refers to a “bond”, hence implying becoming an owner. Will such an owner be required to sell, move on and disassociate himself with an IH unit if he earns more? This point is touched on in the definition of “affordability preservation” and relates to the principle of “perpetuity”.</p> <p>This is not a definitional issue but a policy concern. The Policy Framework does not advocate that an owner of an inclusionary unit be required to sell at any point in time; however, should the owners choose to sell their unit, the Policy Framework advocates that the sale should be restricted to ensure a household similarly deserving of an inclusionary housing unit will purchase the property while allowing for a degree of asset appreciation for the original owner.</p> <p>6. Great care should be taken by simply grouping all “additional rights” in one basket and then stipulate that IH must be provided because of those “additional rights”. Not all “additional rights” are in fact additional rights. Explanation: a development might be “forced” into a height, or setback, or coverage, departure in order to satisfy heritage or visual or urban design requirements. Such building may not necessarily require additional floor space (bulk), as the envelope could still be in accordance with existing rights (bulk). So there is no real “increase of or additional rights”.</p> <p>A definition for additional land use rights has been included to take this comment into account.</p> <p>7. Does the removal/amendment of title deed conditions also represent “additional rights”? One might remove or amend a restrictive title deed condition pertaining to “built-upon” area, number of storeys permitted, or building lines, but those do not constitute “additional rights” which would warrant the provision of IH? Same as for “number of dwellings”, - surely a property owner developing two dwelling houses on his site can not be expected to provide IH on the site, or contribute in lieu of payment?</p>
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			<p>A definition for additional land use rights has been included to take this comment into account.</p> <p>The economic feasibility study advocated by the Policy Framework will determine the size of development that will trigger an inclusionary housing contribution. In most instances, in the Western Cape, municipal planning by-laws permit 'as of right' two, and in some cases, three dwellings.</p>
Frank Cumming	City of Cape Town: Urban Catalytic Investment	Pg 3-4	<p>Pg. 3: - We recommend inclusion of a definition for Development Management Scheme/ Zoning Scheme/ Land Use Scheme.</p> <p>This suggestion has been incorporated.</p> <p>Pg. 4: - 'Land use' is explained under the term 'land use rights'. We would recommend expanding on additional rights that are obtained through development decisions which is an element of Land Value Capture (LVC) and Land Based Finance (LBF).</p> <p>A separate definition for additional rights is now included.</p>
Daniel Plato	City of Cape Town	Pg 3-4	<p><u>Definition for Gap/ Market Housing</u> We proposed the inclusion of the highlighted wording to ensure a comprehensive definition That portion of the market that (as a household) earns too much to qualify for <i>full</i> grant housing assistance (currently > R20k per month) however too little to be able to afford a bond on an available open market unit. This also includes households whose credit worthiness is too poor to qualify for a bond, although partial state assistance may be available <i>to those households who satisfy the qualifying criteria as set out by national government.</i></p> <p>The Gap market/ housing definition has been amended taking into consideration proposals received.</p> <p><u>Definition for Inclusionary housing overlay zone</u></p> <p>Whilst the City intends to use this mechanism, the detail in this grey box may not be applicable to all municipalities. The legal mechanism to establish the overlay and to designate properties into the overlay zone are specifically set out in section 24 of the City of Cape Town Municipal Planning By- law. If other</p>

			<p>by- laws do not contain the same specific legislative provisions, this could lead to an unlawful designation of properties. It is also unclear where a Municipal Planning Tribunal would get the authority to designate areas into an overlay zone.</p> <p>The definition used in the model land use planning bylaw used as a basis by all municipalities in the Western Cape has also been included in the revised Policy Framework's definition of an overlay zone</p> <p>The revised Policy Framework has incorporated the point that a municipality must pay attention to its specific provisions in its municipal planning bylaw is noted.</p> <p>An overlay zone can be introduced via an application (in the case of site-specific application) or an amendment to the Municipal Planning By-Law. In the case of the former, the Municipal Planning Tribunal is the decision-making authority.</p>
Rob McGaffin	UCT/URERU	Pg 4	<p>Residual land value is defined, albeit in quite a long-winded manner, which may detract from the average official understanding this key concept.</p> <p>The residual land value definition has been revised and presented as a stand-alone text box in the revised document.</p>
Laurine Platzky	n/a	Pg 6	<p>Page 6 Definitions: Affordability Preservation: If such housing is not restricted from being sold or rented in the open market following the first generation of allocation, the purpose is defeated, while public value profits a few (Jacobus, 2015).</p> <p>Preserving the affordability of inclusionary units is therefore a key policy concern and should perhaps be highlighted or at least mentioned when introducing the paper.</p> <p>The Policy Framework has been revised to incorporate this suggestion.</p>

Comment made by	Organisation	Point of Reference	Comment and Proposed Response
1. INTRODUCTION			
Daniel Plato	City of Cape Town	Pg 7	<p><u>Chapter 1 Paragraph (ii) ('Aims of the Policy Framework')</u> Consideration should be given to include the following:</p> <ul style="list-style-type: none"> • As WCPG provides support and capacity building to municipalities across the Province, one of the stated aims of the policy should be to outline the Departmental support and capacity provided to municipalities in the implementation of Inclusionary Housing policies. • The identification of monitoring and oversight mechanisms as it relates to an Inclusionary Housing policy should also be included as a stated aim. <p>These additions have been included as suggested.</p>
Laurine Platzky	n/a	Pg 7-8	<p>A request to highlight the concept of Inclusionary Housing, which appears to refer to 'affordable' rather than 'social' housing. In the non-expert's experience this concept needs further clarification on page 7 in the Introduction and not left for the reader to have to refer to Definitions (From the outset the authors, being so familiar with the policy detail, need to bring readers along with them).</p> <p>The concepts of inclusionary and affordable housing will be clarified in both the introduction and the definitions.</p> <p>Page 8 gives the key questions – the next steps and way forward to implementation important in order to 'get started'. Perhaps an explicit reference to the decades of debate, leading now to implementation would give the skeptical reader some hope that the Province is serious about taking words into action.</p> <p>The Policy Framework has been revised to incorporate this suggestion.</p>
Frank Cumming	City of Cape Town: Urban	Pg 7-8	<p>The draft policy framework defines inclusionary housing and sets out clear objectives for inclusionary housing as a land use, spatial transformation tool. The aims of the policy framework are also clearly outlined and well addressed.</p>

	Catalytic Investment		<p>It is also responsible that the Framework acknowledges the need for its introduction and implementation in an incremental, phased manner to enable industry to acclimatise to the impact of the policy, that also provides a degree of flexibility, and the application of lessons learnt prior to considering a more prescriptive approach. The City of Johannesburg's experience, allowing for development of the policy influenced that City's current approved Inclusionary Housing policy.</p> <p>Pg. 8: - the statement regarding a lack of tried and tested models for inclusionary housing is therefore inaccurate, vis Johannesburg, albeit not under any approved policy. These should be reflected on.</p> <p>The Policy Framework has been revised to correct this.</p>
Rob McGaffin	UCT/URERU	Pg 8	<p>The introduction clearly states the purpose of the document. However, Section 1.1 focuses on the role that the state currently plays, or should play, in the provision of well-located, affordable housing. It is suggested that a clear problem statement should proceed this that firstly, outlines the extent of the problem (backlogs, spatial segregation etc.) and secondly, the cause of the problem. With respect to the latter, the following argument could be made:</p> <p><i>The inadequate supply of affordable, well-located housing is primarily the result of historical, discriminatory, Apartheid planning. Unfortunately, neither the state housing programmes, nor the land markets have been able to address this problem. To begin with, the state housing programmes have failed as follows:</i></p> <ul style="list-style-type: none"> • <i>Firstly, for equity reasons, the need to achieve economies of scale and keep costs in check, a standardised house has often been delivered in poorly-located areas, which means that the employment and social facility needs of many households have not been met.</i> • <i>Secondly, the state's institutional structures, supply-chain requirements and project planning, have undermined its ability to deliver as is evidenced by the inability to meet housing delivery targets year-on-year.</i> • <i>Thirdly, the densities of new subsidised developments have usually been too low to accommodate existing populations, resulting in community resistance, dislocation and issues surrounding temporary housing.</i> • <i>Fourthly, regulatory, institutional, and administrative constraints have hindered the ability of the state to use well-located public land for the provision of affordable housing.</i>

			<ul style="list-style-type: none"> • <i>Lastly, national fiscal constraints will increasingly challenge the ability of the state to roll-out the programme as envisaged.</i> <p><i>However, the land market has equally failed to adequately supply well-located affordable housing primarily because of an affordability problem. This is because for a new house to be supplied by the private sector, the price (value) that a household is willing and able to pay must be greater than the cost to build the house– the “Value versus Cost Challenge”. If this is not the case, the project will not be financially viable, and a developer will not be able to sustainably provide housing over the long term. Broadly speaking affordability is a function of two main factors. Firstly, the ability of a household to pay for a house, which is in turn a function of a household’s income, credit worthiness and the value of existing assets they may own. Unfortunately, many households are asset poor for historical reasons, many have high levels of indebtedness and or impaired credit records and generally have low levels of income. Secondly, affordability is a function of the cost of a house, which has been increasing due to the inelastic supply of land, complex development processes, rising building costs, and at times, inappropriate high standards.</i></p> <p><i>Inclusionary housing therefore attempts to address some of the above challenges by firstly, using additional development rights to generate increased value and secondly, drawing on the expertise and efficiency of the private sector to reduce costs – both of which are needed to improve the levels of affordability and to overcome the Value versus Cost Challenge.</i></p> <p><i>In addition, there is an economic argument as to why inclusionary housing should be used to provide a public good such as affordable housing. The value of a property is a function of the efforts (investment, expertise, time etc.) of both the owner (and surrounding landowners) and the actions (provision of rights) and investments (roads, schools, parks etc.) made by the state. As the state generates some of the value on a private site, it is therefore entitled to a share of some of this value. Notwithstanding this, an assessment must be made whether the resources that are committed, the level of complexity that occurs, and the unintended consequences that may result, are justified relative to the number of well-located, affordable units that are likely to be supplied through such a policy.</i></p> <p>Besides creating a closer link between the problem and proposed policy, the problem statement should highlight the role that the state can play in creating value in the first place and should hopefully reduce the number of objections to the policy.</p> <p>Thank you, the Policy Framework has been revised to include this proposal as far as possible.</p>
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Cor van der Merwe	SAACP South Region	Pg 7	<p>It is noticeable and regrettable that in the Introduction of the Framework nothing is said about any incentives for developers. Although this is touched on later in the document, the opening statement of the Framework already alienates developers – if they don't feel part of it (with practical and REAL incentives) from the start, it is doomed to fail. Surely a better wording for the yellow highlight below would be “to incentivise”, for example?</p> <p>2 What is Inclusionary Housing?</p> <p>Inclusionary housing is a spatially targeted mechanism that relies on the regulatory system of planning permissions to oblige property developers to provide affordable housing at prices below those targeted by their development. Inclusionary housing leverages the greater societal role in creating land value, along with the significant increase in the value of land, as a consequence of granting new or additional land use rights.</p> <p>This section has been revised noting this comment, although the term “oblige” is still used as inclusionary housing does place an obligation on developers.</p>
Comment made by	Organisation	Point of Reference	Comment and Proposed Response
2. WHAT IS INCLUSIONARY HOUSING?			
Rob McGaffin	UCT/URERU	Pg 10	<p>The policy side-steps the real issue of scale by stating that inclusionary housing is not about the scale of provision but about where the provision occurs. The policy highlights the socio-economic benefits of well-located, affordable housing. However, it is highly questionable whether such benefits will occur unless such provision occurs at scale. The issue of scale is clearly important when it comes to affordable housing provision as is illustrated by the response to the Riverclub development by Ndifuna Ukwazi:</p> <p>“...NGO Ndifuna Ukwazi has taken issue with the affordable housing component. The project plans to use 20% of the residential floor space for affordable housing. However, Ndifuna Ukwazi's Jonty Cogger said that was not enough.”</p> <p>https://ewn.co.za/2021/04/22/cape-housing-activists-reject-r4-billion-river-club-development</p>

			<p>There is a difference between the question of scale in terms of total numbers of affordable units made possible by an inclusionary housing policy in a city or town and whether the determination of a development's inclusionary housing contribution is justifiably proportional with respect to the additional development rights granted to that development.</p>
Margot Drake	n/a	Pg 10	<p>* I'm not sure what this sentence means: (pg 10 in the document) "The objective is to open up opportunities for more affordable housing in identified areas and to promote more integrated communities in those areas that are less starkly divided by income and race and more inclusive of key workers and young professionals in particular." Does this mean for example that an area like Constantia would not be considered as an area for affordable housing? (I'm not picking on Constantia, but it strikes me as an area that is starkly divided by income (and perhaps race also), so in the context of this sentence I'm wondering therefore if an area like Constantia would be considered 'off-limits'.</p> <p>This paragraph has been revised.</p>
Laurine Platzky	n/a	Pg 10-13	<p>Page 10: 'The objective is to open up opportunities for more affordable housing in identified areas and to promote more integrated communities in those areas that are less starkly divided by income and race and more inclusive of key workers and young professionals in particular...' Is this a major departure from what is already happening in the market?</p> <p>This paragraph has been revised.</p> <p><i>'if the agreement is that an inclusionary housing requirement may be met off-site, this must result in the construction of affordable housing units in well located areas of the city or town.'</i> Developers might well buy themselves out of integrating areas (by race and class) through paying to have the affordable housing built in areas which are not in high demand by those with financial means. The definition of what areas would be acceptable as 'well-located' or central to offservices etc could be open to wide and opportunistic interpretation. WHO will define what is 'well-located'? (WCG representatives have been heard calling Conradie 'central' (as in CBD) rather than as geographically central in metro Cape Town... Although this issue is discussed further in the document, perhaps it can be problematised early in the paper.</p>

		<p>Noted. The Policy Framework guides that "well-located" is defined in the Municipal Spatial Development Framework. The risks identified have been included in the revised Policy Framework.</p> <p>Page 11: <i>'partnerships... sharing the land value returns that are, in part, a consequence of the State's planning and investment in infrastructure, facilities, amenities and urban management to the benefit of the public.'</i> Caveat: what would motivate private developers to enter these partnerships if there was not considerable benefit to them (and little left to benefit those needing affordable housing)?</p> <p>This comment highlights the importance of structuring a municipal inclusionary housing policy to ensure sufficient benefit to developers through density bonuses and other incentives, to enable the viability of creating affordable housing opportunities through the market. However, the important principle is that obligations would be linked to additional development rights in areas where these are attractive to developers.</p> <p><i>'broader societal role in creating land value and seeks to capture some of this value back for public good'</i> – how can one ensure that this capturing of value benefits the public (and not other players)?</p> <p>This is indeed the purpose of the Policy Framework.</p> <p>Page 12: WHO will identify the sites which trigger 'obligation'?</p> <p>The areas will be identified by the municipality, informed by its own planning studies and related research, housing market and feasibility studies.</p> <p>Page 13: This statement should not be relegated to a footnote: <i>'It however remains important to ensure that all new development, public or private, is placed to facilitate spatial transformation – to ensure that new development is improving the inclusivity, efficiency and resilience of our settlements and households.'</i></p> <p>The Policy Framework has been amended to escalate this point.</p>
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Cor van der Merwe	SAACP South Region	Pg 10	<p>“Inclusionary housing is a spatially targeted mechanism that relies on the regulatory system of planning permissions to oblige property developers to provide affordable housing at prices below those targeted by their development. Inclusionary housing leverages the greater societal role in creating land value, along with the significant increase in the value of land, as a consequence of granting new or additional land use rights.”</p> <p>Did the drafters of the Framework look at any international examples of how this could work? The introduction just says there are no examples in South Africa. Surely we can learn from other cities e.g. New York, Lisbon or similar?</p> <p>It is highly unlikely that there will be any meaningful and material improvement in the local authority’s processes, time lines, amount of red tape etc. This has not improved at all over the years, quite the contrary. With respect, the idea of quicker and more efficient processing time lines for developers who provide IH is noble, but in my opinion “pie in the sky”. This will not happen unless and until there is a serious shake-up in the Planning and Property Management Branches (primarily), plus a bold and serious changing of delegations, processes, legislation, etc.</p> <p>The Policy Framework was informed by precedents in the USA, England, Ireland, France, Spain, Brazil, Colombia, Scotland, Canada, and the Netherlands.</p> <p>The concerns with municipal performance in planning and property management is noted and the need for reform in delegations, processes and legislation is supported.</p>
Frank Cumming	City of Cape Town: Urban Catalytic Investment	Pg 12-13	<p>Human Settlements is the sector that must create the enabling environment for implementation. It is imperative that the HSP proposals are clearly spatially depicted in MSDFs (at all scales) as the key statutory plan for spatial planning. Inclusionary housing and land value capture should be recognised as a planning instrument to achieve transformation (Pg. 12). The IDP and MSDF, read together with the HSP is recognised on Pg. 13.</p> <p>The important enabling role of the Human Settlements Plan (HSP) is supported.</p>
Stephen Muller	Overstrand Municipality	Pg 12-13	<p>2.2 <u>Inclusionary housing policies in South Africa</u></p> <p>There is still a concern on the legality of burdening the private sector to be forced into providing affordable houses.</p>

			<p>I do believe that the references to it being seen as a form of taxation is much broader than just rands and cents. The impact of providing affordable housing in a scheme could manifest as rands and cents. However, the effect an impact could be much more diverse. For instance, saleability of private sector products, turnaround time, extra administration, etc.</p> <p>The question of legality has already been addressed.</p> <p>The Policy Framework guides municipalities to take an incentive-driven approach to inclusionary housing – where inclusionary housing obligations are linked to the granting of additional development rights. The Policy Framework does not advocate imposing an inclusionary housing obligation on existing rights. Inclusionary housing is a condition of planning approval. As with other kinds of planning conditions, it is aimed at ensuring positive outcomes which in the South African context must include promoting inclusivity.</p> <p>The purpose of the guidance provided in the Policy Framework is to emphasise the importance of municipalities ensuring that their policies are evidence-based, promote efficient administration (reduced turn-around times) and ensure predictability with respect to administrative requirements.</p> <p>2.3 <u>Where is Inclusionary Housing Policy Appropriate in the Western Cape?</u></p> <p>As mentioned, the provision of inclusionary housing should be flexible and dynamic in order to respond to the market and trend as it happens. Therefore, a policy should be done in such way as to respond rapidly to address market changes.</p> <p>Supported. Municipal policies will need to be reviewed and updated regularly to reflect changing market conditions and lessons learnt – supported by housing market studies that are themselves kept up to date. This being a source of market intelligence for developers too.</p>
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Comment made by	Organisation	Point of Reference	Comment and Proposed Response
3. WHY SHOULD WE INTRODUCE AN INCLUSIONARY HOUSING POLICY?			
Rob McGaffin	UCT/URERU	Pg 13	<p>As per previous comments, this argument should be stated earlier and should be more closely aligned to a clear problem statement. Furthermore, the negative spatial consequences of current housing policies need to be highlighted to a greater extent. Whilst the spatial inequalities of Cape Town are illustrative, it is questionable whether they are representative of the smaller towns that the policy will be targeting.</p> <p>The Policy Framework has been amended to address the proposal to include a problem statement in the introduction. Spatial inequalities exist across all towns and are consistently identified in Municipal Spatial Development Frameworks in the Western Cape. The severity and scale of the impact of these inequalities certainly differs between the bigger and smaller towns.</p> <p>It is unclear what the following statement on page 15 means:</p> <p>“1. The distribution of residential properties in Cape Town by market segment. This clearly indicates the Pend all alignment of the high end (pink) and luxury (red) markets with the areas of highest employment density; and..”</p> <p>This paragraph has been corrected, thank you.</p> <p>The report states:</p> <p>“Publicly owned, well-located land is finite. Resources to secure and develop well-located land for housing by the public sector are limited. This has driven the state’s housing delivery programmes to develop at scale on the peripheries of our towns – exacerbating patterns of spatial exclusion entrenched during Apartheid.”</p> <p>If this is the case and the policy is about spatial transformation, then why is the policy only targeting the GAP market? Surely it should target the entire population below a particular income level?</p>

			<p>The Policy Framework promotes as deep a reach as possible, in terms of affordability of inclusionary units, not free housing. The Policy Framework aims to address a particular dimension of housing need by working in partnership with the private sector. Its goal is to incentivise the private sector to make it possible for developments to include a number of units that are affordable to households earning less than the buyers otherwise targeted by a developer. There are practical considerations in working with the private sector and private land markets that do not make it possible to target the entire population below a certain income level. This is consistent with other policy mechanisms like social housing or the FLISP, both of which require beneficiaries to meet certain income thresholds.</p>
Stephen Muller	Overstrand Municipality	13	<p>3.1.1 <u>The Exclusionary Nature of our Land Markets</u></p> <p>A lot of assumptions are made under the heading and these are mostly applicable on a metro and its structure.</p> <p>The situation is very different in rural Municipalities and settlements and careful consideration must be given before giving effect to a policy.</p> <p>Point acknowledged. The maps of Cape Town are used for illustrative purposes. The revised Policy Framework has sought to include other examples. Housing Market Studies are being sought for other intermediate cities and towns. Exclusionary land markets that perpetuate spatial apartheid is however common cause and self-evident across our towns in the Western Cape.</p>
Laurine Platzky	n/a	Pg 14-17	<p>P 14: Extremely important point: <i>'...good quality education from a young age impacts on future opportunities for children, implying that exclusionary land markets create structural constraints to social mobility.'</i> This illustrates how spatial marginalisation has perpetuated apartheid and prevented development of the next generation, and is likely to continue for generations to come.</p> <p>P 17: <i>'Publicly owned, well-located land is finite. Resources to secure and develop well-located land for housing by the public sector are limited'</i> seems quite a broad statement. Considerable large tracts of publicly owned land are available in Cape Town, including prime redevelopment opportunities such as</p>

			<p>Acacia Park (with the relocation of members of parliament in housing adjacent to parliament in the CBD). For decades the three spheres of government have refused to cooperate/coordinate.</p> <p>Noted. The point made with respect to what is quoted from p17 is acknowledged and this paragraph has been amended.</p> <p>The need for a concerted state effort, especially in national government, to release land for well-located affordable housing, is absolutely clear, and should be pursued as a parallel programme to inclusionary housing policy. It is acknowledged that such an effort will do more to spatially transform Cape Town than an inclusionary housing policy. The level of need for affordable housing and the importance of where this is located to the future of citizens and our settlements requires a multi-pronged approach.</p>
Cor van der Merwe	SAACP South Region	Pg 15	<p>Does the highlighted section below mean that 73% of CT's households qualifies for IH, given the definition of "Affordable Housing"? Surely such a high number would be untenable in the long term?</p> <p>67% of Cape Town's residential market sits in the luxury (properties worth over R1.2 million), high end (properties worth R900,000 – R1.2 million) and conventional (properties worth R600,000 – R900,000) markets. The average household income in Cape Town is R23,206. Households earning this income could typically afford a house in the affordable market (R300,000 – R600,000). 73% of Cape Town households earn between R0 and R20,000. 18% of residential properties fit into this market segment in Cape Town currently (CAHF, 2020).</p> <p>The answer, given this analysis contained in the Cape Town Housing Market Report 2020, and the relatively unaffordable nature of housing in Cape Town is, alarmingly, yes – that is the extent of the need for affordable housing, and why all policy mechanisms to promote access to affordable housing should be pursued, including inclusionary housing and the mismatch between supply and demand is a burgeoning crisis for the City manifesting in many different ways.</p>
Margot Drake	n/a	Pg 15	<p>* Some questions about average Cape Town/Western Cape income - on pg 15 in the document the average Cape Town household income is stated as R23206 per month, and on pg 16 in the document the average western Cape household income is stated as R19 419 per month. I'm curious as to how</p>

			<p>these amounts are arrived at. Given that the retail sector is a huge employer - and the average wage in the retail sector is around R4500 - R5000 pm. Also same for factory workers in garment industry, petrol attendants, many domestic workers etc.</p> <p>The income figures used in the policy framework have been updated. Average income for the province and municipalities was provided by Quantec to the province, while the distribution of income segments was provided by IHS Markit to the province.</p>
Frank Cumming	City of Cape Town: Urban Catalytic Investment	Pg 15, Pg 18	<p>The map on Pg. 15 is not labelled.</p> <p>Pg. 18: - the numbering refers to Sections in SPLUMA.</p> <p>The Policy Framework has been amended to label the map on Page 15, and clarify that the numbering on Pg. 18 is indeed that of sections of SPLUMA.</p>
Rashiq Fataar	Our Future Cities	Pg 17	<p>3.1.2 The Legal Mandate</p> <p>The numbers of this section are not clear. It would be helpful to understand the relevance of the laws and acts mentioned in relation to Inclusionary Housing.</p> <p>The numbering in this section refers to the numbers of the specific clauses in the legislation. Numbering in the whole document has been revisited. This section has been revisited to expand on the relevance of the legislation, balancing rigour with economy in the length of the text.</p>
Comment made by	Organisation	Point of Reference	Comment and Proposed Response
4. PROVINCIAL AND MUNICIPAL ROLES IN INCLUSIONARY HOUSING			
Marcelle O'Malley	SALGA	Pg 19	Page 19 paragraph 5 of the Policy Framework does make reference to the incorrect subsection however. Section 155(6) of the Constitution of the Republic of South Africa, 1996 (the Constitution, 1996) is referred to, when section 155(7) of the Constitution, 1996 should actually be referred to as it is

			<p>this section that states “provincial governments have the legislative and executive authority to see to the effective performance by municipalities of their functions in respect of matters listed in Schedules 4 and 5, by regulating the exercise by municipalities of their executive authority referred to in section 156 (1).”. Based on this constitutional provision it can be seen that the Western Cape Provincial Government has invoked their overseeing power/function when the Inclusionary Housing Policy Framework was drafted as they need to oversee and ensure the effective performance of municipalities.</p> <p>The Policy Framework has been amended to reflect this correction, thank you.</p>
Frank Cumming	City of Cape Town: Urban Catalytic Investment	Pg 19-20	<p><u>Section 4: Provincial and Municipal Roles in Inclusionary Housing</u> Regulates through LUPA, how municipalities regulate municipal planning.</p> <p>Highlights that the powers granted to municipalities under the Constitution to regulate municipal planning provide sufficiently broad authority to impose an inclusionary housing requirement.</p> <p>Pg. 19: - A standardized implementation process across the province may not be appropriate based on the “incremental”, “experimental” and “entrepreneurial” approach required with “trial and error” in local contexts and local property markets.</p> <p>Province accepts that the inclusionary housing need will differ across the Province and that a 'incremental', 'experimental' and 'entrepreneurial' approach will be required on the part of the municipality concerned. Standardisation may be possible in time based on sufficient evidence and once lessons have been learnt. This has been clarified in the Policy Framework.</p> <p>Pg. 20: Critical that 3 groups in Municipalities are targeted with further implementation/ application (i.e. Human Settlement officials, Spatial Planning Officials, and Land Use Management officials (Pg. 20)).</p> <p>The Policy Framework has been amended to identify the three groups of professions involved in the implementation of inclusionary housing policy, thank you.</p>
Laurine Platzky	n/a	Pg 21	<p>P 21: Recommendation in box very NB or there will be even more lobbying to include/exclude certain areas depending on property developers’ agendas.</p>

			Noted
Cor van der Merwe	SAACP South Region	Pg 21	<p>Pg 21 – IH Overlay Zone Adoption Process. I think it would be remiss not to add under this section, that the amendment of the MPBL to accommodate an IH overlay zone and then to allocate that zone to specific geographic areas, will involve public participation.</p> <p>Noted.</p> <p>Comment on the following provisions under Section 5 on pg 21: “iii. Within the designated area, Western Cape municipalities should apply inclusionary housing provisions where: a. a change to mixed-use or residential land use rights is applied for, or additional rights are applied for in favour of mixed or residential use where this gives significant additional value to the land and the size of the proposed development exceeds the threshold identified in the municipal Inclusionary Housing Policy; or b. an application is made to develop property within an Inclusionary Housing Overlay Zone or an area where the municipality has proactively upzoned the land through another regulatory mechanism and has set out the concomitant requirements that must be met if taking up these rights. For example, where additional rights are already permitted subject to the provision of inter alia inclusionary housing.”</p> <p>I think the wording in (a) is too vague – for example a rezoning from agriculture to single residential or the subdivision of one SR erf into three should not in my opinion trigger IH. Also how does one quantify what type of departure in a GR zone gives “significant additional value to the land”? Rather the following wording is proposed for (a)</p> <p>“a change in zoning to permit a development of or including residential flats, where the size of the proposed development exceeds the threshold identified in the municipal Inclusionary Housing Policy;”</p> <p>With regards to (b), I cannot see how any base zone or overlay zone (ie an existing right) can force a developer to develop IH if they really don’t want to. It can only incentivise them through offering extra bulk and DC rebates etc.</p> <p>While a proposal to remove vagueness is supported, the suggestion that inclusionary housing is only triggered when land is developed for flats is not supported.</p>

			<p>The economic feasibility study will determine the size of development (enabled by additional land use rights) that will trigger an inclusionary housing obligation.</p> <p>With respect to 5iii)b. with the incentive driven approach taken by the Policy Framework, the uses and bulk permitted in the base zone remain available to the developer, with no obligation to provide inclusionary housing. The take up of any additional rights permitted in the overlay zone will be subject to the rules of that overlay zone – in this case, the provision of inclusionary housing and the enjoyment of any associated incentives. Rights available to the landowner in the overlay zone are not the same as the rights in the base zone.</p> <p>While it is legally permissible to, by law of general application, limit or place obligations on existing land use rights held by a landowner, this Policy Framework does not advocate doing this. The Policy Framework advocates linking an inclusionary housing obligation to an application for land use rights which will make it possible to develop a site with additional land uses and more bulk than would have been possible in terms of the existing use/bulk permitted.</p>
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Comment made by	Organisation	Point of Reference	Comment and Proposed Response
5. HOW IS AN INCLUSIONARY HOUSING REQUIREMENT IMPOSED?			
Rob McGaffin	UCT/URERU	Pg 21	<p>The report proposes that inclusionary provisions are not applied to commercial and industrial development applications, but no reasons are given why this should be the case. Limiting it to residential and mixed-use developments could have a distortionary effect on the property market.</p> <p>The Policy Framework seeks to assist municipalities to implement provisions in SPLUMA including the provision that “include provisions to promote the inclusion of affordable housing in residential land development” (section 24(2)(d)). The inclusion of other uses besides residential and mixed-use developments may be considered in a further phase of policy development.</p>
Daniel Plato	City of Cape Town	Pg 21-23	<p><u>Chapter 5 (iii)</u> It is not clear what is meant by “significant additional rights”. The concept is relative and should be determined by the respective municipalities. It is recommended that clarity should be provided for municipalities to be guided effectively.</p> <p>Agreed, the nature of “significant additional rights” will differ and thresholds will need to be specified in municipal policy based on the economic feasibility study. In the implementation of the Policy Framework and learning from municipal practice, practice notes will be developed to promote peer learning and offer advice on technical matters.</p> <p><u>Chapter 5 (iv)(c)</u> It is proposed that the offsetting of costs, including application time, reduced parking, and a density bonus should form part of the factors taken into account in an Inclusionary Housing calculator. Leaving too many aspects open to negotiation or discussion, might result in the process being manipulated. Further it could also require additional capacity or skillsets of officials to engage in discussions related to financial modelling of feasibility, which is not always practical and possible.</p> <p>It is therefore suggested that the option for this to be done by a calculator – and not just by discussion – is included in this clause.</p>

		<p>This proposal is supported, this clause has been amended.</p> <p><u>Chapter 5 (iv)(d)</u></p> <p>The City's Policy is likely to propose where on-site units must be built, and where fees in lieu are applicable. Any exceptions from this would be prescribed by the policy. This is to ensure that the City enables the policy principles, and doesn't allow for manipulation of the intended outcomes, for instance, through developers favouring only the fee in lieu option. The policy would clarify circumstances where exceptions to the methods of contribution would be allowed.</p> <p>It is therefore suggested that this clause also allows for the possibility of municipal policies specifying the method of contribution, and not just leaving this for discussion.</p> <p>This proposal is supported, this clause has been amended.</p> <p><u>Chapter 5 (vii)(j)</u></p> <p>Clarify as to whether it is legally possible to condition the issuance of the occupancy certificate on the payment of fees in lieu, should they be provided. The City has received conflicting feedback on this, and it would be helpful if the draft Framework could provide the clarity needed for municipal policy implementation.</p> <p>Noted, the revised Policy Framework gives further attention to this matter.</p> <p>Concerns have also been raised that ideally the fees in lieu should be paid at a later stage to assist with upfront project feasibility concerns, however, this needs to be weighed against the need to have something to condition payment on. Is there a possibility of Municipal Planning By-Laws instituting other consequences if payment is not made? This could alleviate financial pressure on the project upfront. Guidance on this could assist municipal policy implementation.</p> <p>Payment of an in-lieu fee or construction of the inclusionary units on site/ off site is a condition of planning approval and non-compliance with this condition should be treated as with non-compliance with any planning condition. However, the burden on the municipality to proactively monitor without a gateway that assists to ensure compliance is acknowledged. The revised Policy Framework gives further attention to this matter.</p>
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Laurine Platzky	n/a	Pg 22-23	<p>P 22: vii: very useful – should these not also be lodged with Province as a record and to enable M&E over time?</p> <p>Lodging the records may be a duplication of administrative process. The principle that the information is public and can be shared with/ requested by the Province for monitoring and evaluation purposes has been included in the revised Policy Framework.</p> <p>P 23: WHO is on the Municipal Planning Tribunal is critical to enforcement (or otherwise). Too many times political selection of ‘tame’ members of such bodies serves the status quo.</p> <p>Comment regarding the constitution of Planning Tribunals is noted.</p>
Stephen Muller	Overstrand Municipality	Pg 23	<p>5. How is an Inclusionary Housing Requirement Imposed?</p> <p>vii.i. To restrict any beneficiaries by adding title deed conditions on to whom, where and when he can sell his property is problematic and one should carefully consider these. The best and fairest solution would probably be to restrict it to rental only and not ownership.</p> <p>It is agreed that rental offers greater practicality for ensuring tenure preservation. The intention of a title deed restriction would only be to limit to whom a unit is sold, to ensure that inclusionary unit remains available to the targeted income group of the municipal inclusionary housing policy. It is not intended that there is a restriction as to when a unit may be sold.</p>
Frank Cumming	City of Cape Town: Urban Catalytic Investment	Pg 22-25	<p>This section presents a very comprehensive guideline of considerations for how inclusionary housing requirements are to be imposed, accounting for the long-term monitoring of inclusionary housing stock and the sustainability of that housing.</p> <p>Pre-application engagements are encouraged and this is a welcome proposal however, the following must be taken into consideration with regards to such engagements: -</p> <ul style="list-style-type: none"> - The parameters of the pre-application engagements should be made clear upfront. The Framework is silent in this regard; - It should also be noted that such pre-application engagements may add to the land use application timeframes, resources must be made readily available for these discussions and the officials responsible for such engagements ought to be capacitated to deal specifically with Inclusionary Housing

		<p>development application matters in order for the engagements between the officials and the developers to run smoothly.</p> <p>It is acknowledged that, in order to implement an Inclusionary housing policy, capacity building will be required for case officers, registry staff and members of the Municipal Planning Tribunal. Not unlike what is required with ongoing reforms to the regulatory planning regime. The Policy Framework recommends that, in the case of the City of Cape Town, a specialist unit is made available to advise the planning process, taking advantage of the expertise it has in social housing, inclusionary housing policy and development feasibility, to support inclusionary housing related engagements with applicants – much like it has built extensive capacity and specialisation in its Strategic Policy Unit and associated functions. Some of this expertise is already under development in the City of Cape Town. Smaller municipalities with limited applications can be supported by the WCG and other initiatives to support municipalities are underway supported by the National Treasury and Development Action Group.</p> <p>Clear policy and associated tools such as a calculator will also assist such processes.</p> <p>Pg. 22: - It is critical that human settlement, spatial planning and development management officials must understand the housing market in pre-application engagements.</p> <p>This point is supported. Housing market studies over successive periods have been prepared for the City of Cape Town and similar studies are recommended for other municipalities. The WCG has initiated studies for a number of the intermediate cities and larger towns.</p> <p>Pg. 22: - Inclusionary Housing Agreement should address whether it is provided (i) mandatory without incentives (ii) mandatory with incentives (iii) in prescribed conditions or (iv) voluntary and negotiated. The role of Province to support could include the capacitation of Municipalities with strong negotiation skills in the implementation of these agreements.</p> <p>Noted. The Policy Framework has taken the approach to recommend that the policy route of mandatory without incentives is not followed. While voluntary contributions are welcomed by the Policy Framework, the intention is to remove scope for extensive negotiation on mandatory (with incentives) contributions in the application phase - the municipal policy and associated</p>
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			<p>calculator should promote a predictable and consistent approach. Nevertheless, it is acknowledged that there will be negotiation and negotiation skills are essential. The role of the Province in capacitating municipalities is accepted.</p> <p>Pg. 24: - The proposal to track market behaviour over time is supported.</p> <p>Pg. 25L - The comment of appropriate level of standardisation in the absence of the necessary expertise is noted. The participation of all scales of developers (micro and large scale) to contribute to equity objectives is supported.</p> <p>Thank you</p>
Cor van der Merwe	SAACP South Region	Pg 22-26	<p>Pre-application consultations are held with case officers – many of them junior officials. They are not necessary in any position to agree on any of the items below. It will be highly unreasonable to expect these officials to “commit” to whatever is discussed and agreed at these meeting. In the same vein, it remains to be seen if the supervisors, MPT members and/or politicians (on appeal) will uphold the “agreement” made at the PAC meeting:</p> <p>“A pre-application engagement between the Municipality and the applicant is essential to:</p> <ol style="list-style-type: none"> a. Confirm that the development triggers the application of the Inclusionary Housing Policy and the quantum of the contribution required based on a provincial or municipal inclusionary housing contribution calculator; b. Understand the target market of the development (for instance, if the development is already targeting the gap market, the application may be exempted from the provisions of the policy provided that the development assessment and ultimately the permission places this on record for monitoring and compliance processes); c. Discuss feasibility constraints and how these might be addressed through measures to offset costs through, for example, shortened procedures, reductions in parking requirements, a density bonus should this be appropriate and other such mechanisms. Such measures are discussed further in paragraph 6.2.5; and d. Discuss the feasibility of on-site contributions or whether alternatives, such as off-site or <i>in-lieu</i> contributions must be considered and other options in this regard.” <p>It is acknowledged that in order to implement an Inclusionary housing policy significant training will be required for case officers, registry staff and members of the Municipal Planning Tribunal.</p>

		<p>There will be teething problems in the implementation of the policy, but if all parties in the process act with integrity, then an income group that is currently largely ignored by the private and public sector will benefit, and spatial transformation may become a reality for some. The proposal is that specialist skills are developed in the City of Cape Town to support inclusionary housing related engagements with applicants – much like it has done extensively in its Strategic Policy Unit and associated functions. Some of this expertise is already under development in the City of Cape Town. Smaller municipalities with limited applications can be supported by the WCG and other initiatives to support municipalities are underway supported by the National Treasury and Development Action Group.</p> <p>The risk and present occurrence of lack of alignment between the case officer, MPT and/ or the Appeal Authority is acknowledged. The MPT may not make a decision outside of Council Policy. The Appeal Authority should also be held to account for acting in support of Council policy and this will need to be engaged with monitoring and evaluation processes.</p> <p>In addition to the above, it would be very challenging to have a meaningful discussion about financial feasibility of a project at such an early stage of a planning application’s life, given that the application may take up to 18 months to finalise whereby a great amount of extra costs could have accrued e.g. more professional fees, holding costs, and change in market etc.</p> <p>Developers do not embark on the process of submitting planning applications without a fairly thorough understanding of the financial feasibility of a project. The processes have normally been costed in already. Having said that, it is not the intention of the Policy Framework that the inclusionary housing contribution is finalised at pre-application stage.</p> <p>The idea of a “centralised Municipal register” of all the IH agreements in place is a noble idea, but it remains to be seen if this will be diligently updated and kept, especially considering the relatively bad history of the City’s record keeping abilities.</p> <p>The City maintains a planning permissions register and has an electronic system which can be adapted to record the necessary data. The WCG is engaging with other Municipalities to</p>
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		<p>improve such record keeping. It is not anticipated that there will be an unmanageable number of agreements to maintain records of.</p> <p>Contrary to what is attempted to be achieved, i.e. less red tape, shorter processing times etc., the following will add more applications and work to the system:</p> <p>“Municipalities should ensure that an application to amend an inclusionary housing agreement where there is a substantial change to the quantum of the contribution to be made and the income group to benefit is a decision of the Municipal Planning Tribunal.”</p> <p>This is no different to where applicants wish to amend any planning condition. The Policy Framework is identifying the need to ensure that any amendments to an Inclusionary Housing Agreement are treated as an amendment to a planning condition. It is important that developers are not able to come to an agreement with an official to cancel or substantially amend the planning conditions, as this could negate the application of the policy and undermine the credibility of the policy and its application in a municipality.</p> <p>Section 6.1.3 (Determining Where IH should be applied) is somewhat concerning. The statement is made that the entire urban area of the municipality should be a trigger area where IH applies. The inference is then made that with the exception of the areas spatially targeted for IH in the MSDP e.g. activity corridors and nodes etc., an in-lieu of contribution for enhanced development rights will be acceptable. However in the spatially targeted areas, it will in principle required that the IH be provided on site. To us this is taking the reach of the IH policy too far, and amounts to a social responsibility tax on all forms of multi unit residential development that requires enhanced development rights. Surely the focus is to ensure IH in spatially targeted well-located areas, as opposed to other more suburban areas with lesser public transport and facilities etc.? If that is the case then why not only focus on IH for developments within those areas? At the same time all developers should have the option of a financial in-lieu of payment.</p> <p>The spatial transformation/ inclusion objectives of inclusionary housing will not be met if the <i>in-lieu</i> option becomes the default option. The Policy Framework mitigates against this. Where a municipality has proactively up zoned properties, <i>in-lieu</i> would clearly defeat the object of doing so. The Policy Framework does not however preclude this option.</p>
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			<p>The Policy Framework does not state that the entire urban area of a municipality should trigger inclusionary housing contributions, but that in some towns, it may make sense given the scale of the town, that the entire area inside the urban edge of that particular town is designated, with a differentiation between less well-located areas where an <i>in-lieu</i> contribution may be preferred and the well-located areas where on-site provision is preferred.</p> <p>The suggestion that the policy only focus on well-located areas is noted. The consequence could be that developers will be perversely incentivised to avoid these areas and this needs to be managed.</p>
Rashiq Fataar	Our Future Cities	Pg 23	<p>Management and Compliance</p> <p>There should be a clear guideline as to what actors will be responsible for the management of the housing units and beneficiaries' and a few potential approaches or models should be encouraged.</p> <p>The Policy Framework is clear that developers, in discussion with municipalities, will be responsible for determining how an inclusionary housing requirement will be met in terms of tenure options (social housing, rental, sectional title) and whether units will be delivered via on-site, off-site, or in-lieu options. Who is responsible for management is dependent on these variables. The Policy Framework does identify likely responsible parties in the different scenarios in later sections and more practical routes to follow. The Policy Framework does want to allow space for developers and municipalities to engage on options and innovate.</p>
Margot Drake	n/a	Pg 23	<p>pg 23 point x) talks about exemptions to IH granted to applications where they are subject to IHP. Can exemptions be considered? Will this not become a loophole to avoid Inclusionary Housing with the MPT's becoming backed up with exemption hearings?</p> <p>The policy framework ensures that municipalities state clearly in their policies on what basis an application may seek exemption from the municipality's inclusionary housing policy and limits the ability to grant an exemption to the Municipal Planning Tribunal. This is aimed at ensuring that there is transparency and accountability for such a decision and it is not made at a single official's discretion. The risk of it taking more time because the decision must be made by the MPT may act as a disincentive to seek an exemption. Exemptions are discouraged but policies typically need to consider the possibility of this.</p>

Comment made by	Organisation	Point of Reference	Comment and Proposed Response
6. GUIDELINES FOR THE DEVELOPMENT OF A MUNICIPAL INCLUSIONARY HOUSING POLICY			
Rob McGaffin	UCT/URERU	Pg 24-39	<p>The report states:</p> <p>“In addition to setting the threshold that triggers an inclusionary housing requirement, inclusionary housing policies must set the “set aside requirement” – the proportion of inclusionary housing contribution to be provided relative to the total number of units to be developed and sold or leased on the open market. Alternatively, this can be calculated relative to the additional rights (floor area) granted. This requirement can be expressed as a percentage of the total number of units to be sold or leased on the open market or as a percentage of the floor area or as a percentage of the value – all of which should be calculated as a proportion of the additional value created through the planning permission.”</p> <p>This statement is a little confusing as it is unclear if, “..all of which should be calculated as a proportion of the additional value created through the planning permission”, how it is an alternative calculation if it is based on the additional rights granted?</p> <p>The Policy Framework has been amended to improve clarity.</p> <p>The report states: “The WCG is further exploring whether it is possible to make these determinations at a provincial scale, allowing for a minimum but appropriate level of local adaptation.”</p> <p>However, the same way that the % below a certain income median approach may not be appropriate for the SA context due to our vast differences in income, it is highly unlikely that a “one-size fits all” determination approach would be appropriate for similar reasons.</p> <p>This concern is noted and supported. A provincial approach would be a guideline to be tested by a municipality as appropriate in its context. The Policy Framework has been amended.</p>

		<p>It is unclear what the table titled, “Determining the value of development rights” is communicating. Reference should be made to this table in the text. The valuation methods proposed are also questionable and it is suggested that the residual land value method should be used.</p> <p>A reference to the table in question will be made in the text. The residual land value method will be included in the table.</p> <p>Under the section, “Determining Where Inclusionary Housing Should be Applied - Spatial Targeting”, it is suggested that the section be divided into:</p> <ul style="list-style-type: none"> • Where the IH policy will be triggered. • Where the IH will be delivered. <p>Suggestion supported, thank you. The Policy Framework has been amended.</p> <p>There are also some confusing statements as on the one hand, the report argues that the entire town should be a designated area. If this is the case, then the idea of trigger areas is redundant. Furthermore, the problem with having trigger thresholds outside the overlay area is that it defeats the idea of well-located, which is central to IH. This can be addressed with in lieu payments. However, it still defeats the argument that IH should occur in areas where sufficient value is created to cross-subsidise IH.</p> <p>The difference between trigger areas and receiving areas is clarified with schematic maps in the revised Policy Framework. The preference for in lieu contributions to be made by developments outside the priority development areas is supported. The concern is to not create a perverse disincentive for development to avoid well located areas.</p> <p>The definition of the GAP market should be amended to state, “...can’t access a bond of sufficient size to purchase an entry level market house”.</p> <p>This suggestion is supported and the definition has been amended.</p> <p>The report uses median and average income inter-changeably. It is suggested that median income be used.</p> <p>This suggestion is supported. The Policy Framework has been amended.</p>
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		<p>Although in agreement, the following paragraph does highlight the problematic nature of other state-assisted housing programmes:</p> <p>“Excepting where state-assisted housing programmes may get involved, households need not be excluded from benefitting from an inclusionary housing unit on the basis that they have been the beneficiary of a state subsidy. Inclusionary housing is focused on unlocking affordable opportunities in better locations and facilitating greater mobility in the affordable housing market.”</p> <p>Noted.</p> <p>It is unclear why, “Consideration should also be given to local households currently being pushed out of gentrifying areas.” Why are these households worse off to those who historically have been placed on the periphery?</p> <p>The Policy Framework has been revised taking this point into consideration.</p> <p>The report states:</p> <p>“Qualifying beneficiaries of rented inclusionary units will need to understand that regular income certification will be required to ensure ongoing qualification for these affordable units. This must be built into the lease agreement. Qualifying income levels must be expressed in a manner that allows for an increase in income over time to accommodate inflation, nominal increases in income and relative to rising rents in the surrounding area, recognising that a substantial increase in income may still not allow for that household to live in an open market residential opportunity in that area.”</p> <p>This will be very onerous to implement and open to arbitrary levels and a cliff effect – what happens when someone is R1 over a predetermined threshold?</p> <p>This concern is noted, but income certification is necessary if inclusionary housing policies are to benefit the people they are meant to – households who fall into the gap housing market. The Policy Framework has been revised to suggest a more practical approach to this.</p> <p>The report states:</p>
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		<p>Excepting where inclusionary stock is to be owned, allocated and managed by a SHI, municipalities would need to play a monitoring and compliance role via an initial report submitted by the developer, landlord or managing institution on the allocation of the units. This report should include evidence of the qualifying households meeting the agreed criteria as set out in the inclusionary housing agreement attached to the planning permission. Further reporting agreed to in the inclusionary housing agreement may also be required to ensure that subsequent tenants or owners continue to meet the criteria. The WCG or municipalities should ground-truth such reports from time to time on a sample basis to oversee compliance. Sale and lease agreements should allow for such checks to be conducted.</p> <p>How will this work for a sale option as the developer would have exited the development?</p> <p>This section of the Policy Framework has been amended with respect to the sale option.</p> <p>The report states:</p> <p>The Developer of the development for which permission is given would be responsible for the development of the off-site units unless agreement is reached otherwise with the municipality.</p> <p>This proposal should be checked with the investigation undertaken by the City of Cape Town as it is uncertain whether this can legally be imposed on to a developer.</p> <p>Noted.</p> <p>The report states:</p> <p>In-lieu contributions may not be used to replace state subsidies nor to subsidise another private sector developer.</p> <p>This statement seems to contradict the previous statement:</p> <p>The municipality may enter into an agency agreement where the funds are paid to the WCG, a SHI, a developer or another implementing agent who is able to invest the funds in the preparation or construction of affordable housing units within the spatially designated priority area. It is possible for the</p>
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			<p>WCG to set up a dedicated fund which would allow for transfer payments to projects within the municipalities where the funds originated from.</p> <p>The point has been revised to clarify that an in-lieu contribution may be used to complement or add onto a state subsidy or another private sector developer's contribution, in a project where the same income group is targeted and such a contribution enables project viability, deeper income reach or higher yield, but does not substitute for a state subsidy or a land subsidy that should otherwise be provided on state land.</p> <p>The report states:</p> <p>The municipality will need to establish the mechanisms, systems and capacity to publish applicable rentals on an annual basis and monitor compliance over time to ensure that tenant households meet and continue to meet the allocation criteria for inclusionary housing. This could be aided by an annual report submitted by the landlords, as a condition of approval, and overseen by the municipality.</p> <p>How realistic is this considering the capacity of small town municipalities?</p> <p>Concerns about municipal capacity are noted. Capacity varies. Not all of the non-metro municipalities lack capacity. Capacity building will be required at both the Provincial, National and Municipal Spheres of Government to realise an operational IH process, in partnership with academic institutions, non-governmental and advocacy organisations.</p> <p>The report states:</p> <p>At present, a development meeting an inclusionary housing obligation on site would therefore need to be big enough to enable a subdivision to make partnering with a SHI possible.</p> <p>How realistic is this for social housing projects in smaller towns?</p> <p>Not necessarily unrealistic, depending on the town and the site. The Policy Framework has been amended to clarify that this is only relevant where social housing subsidies are also used, until such time that the SHRA revises its requirements to secure the subsidised asset.</p>
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		<p>The report states:</p> <p>It is important to clarify that it is not the intention to prevent a household from selling a unit when circumstances necessitate this, but to ensure that when it is sold, it is sold to another household falling within the household income range targeted by the relevant inclusionary housing policy and that this is adjusted over time to take into consideration inflation and other variables.</p> <p>Does this imply that an affordable household would need to find another IH applicant? If this is the case, how realistic and practical is this? Furthermore, the approach where the unit is sold back to the state has not been successful with regards to subsidised housing.</p> <p>The concern with the practicality of who a seller could sell to is a shared concern. On the other hand, is it equitable that the first beneficiary is able to sell on the open market as soon as the next week, defeating the objectives of inclusionary housing policy and profiting from a 'discounted' unit? This constraint may deter municipalities from agreeing to inclusionary units being for sale. However, if a municipality wishes for inclusionary units to be available for sale, it will need to give consideration as to how to ensure tenure preservation.</p> <p>The report states:</p> <p>Owned inclusionary units within sectional title developments owned and run by Home-Owners Associations or Body Corporates will require significant external monitoring, organisational and social support. Broader social buy-in to the need for inclusionary housing is an important precondition for this to work and is going to take some time to establish. Levies and special levies would have to remain affordable for households living in inclusionary units over the long term, which would require cross-subsidisation. However, this may not be feasible, and it is not legally permissible to impose requirements or limitations regarding levies on Body Corporates.</p> <p>How would this work then?</p> <p>Again, the practical considerations of allowing inclusionary units to be sold comes to the fore and by setting out these practical realities the Policy Framework seeks to inform municipalities on the choices available to them and the implications of these choices. Companies are active in South Africa who work with prospective owners to assist them to understand and work with</p>
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		<p>Body Corporates. Municipalities could allow non-residential uses in a development, on the basis that these cross-subsidise the levies of inclusionary units. Developers would need to establish the rules with regard to inclusionary units in the Constitution from the outset.</p> <p>The report states:</p> <p>This may mean that that ownership options target the upper threshold of the income group targeted by an inclusionary housing policy for practical reasons.</p> <p>This seems to contradict earlier allocation policies.</p> <p>It does not contradict earlier allocation principles but identifies the risk of pressure on these principles in the context of the sale option.</p> <p>The Policy Framework is trying to set out the likely pressures on policy implementation depending on the route followed by a municipality with respect to permitting inclusionary units to be rented or sold, which may then inform the policy options provided for by a municipality. This is made clearer in the revisions to the Policy Framework.</p> <p>The report states:</p> <p>It is proposed that the Social Housing norms and standards are used as a benchmark in this regard.</p> <p>It should be noted that this has undermined the feasibility of social housing in some cases.</p> <p>The Norms and Standards have been revised allowing for smaller units. The Policy Framework suggests these norms and standards be used as a benchmark or guideline but not a rule.</p> <p>The report states:</p> <p>An overlay zone that introduces additional land use rights subject to meeting inclusionary housing provisions is an important contribution to streamlining permissions processes. The process of putting in place the overlay zone will include public participation and internal municipal sector consultations and should remove or streamline the need for this in the actual assessment of the development application.</p>
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			<p>It should be noted that an Overlay Zone will only deal with some of the regulatory processes.</p> <p>Yes, this is understood.</p> <p>The report states:</p> <p>It is critical that municipalities take this forward and develop a land assembly programme and start to commit resources to the packaging and preparation of land for inclusive development while engaging with the other public sector stakeholders to unlock their land. Municipalities should lead by example and ensure that their land is optimally used to achieve spatial justice. For this reason, well-located municipal land released for development to the market – where the nature and type of development can largely be determined by the market and is likely to be mixed-use, residential or commercial – must be made available conditional on the provision of inclusionary housing at a higher percentage than might be required of the private sector.</p> <p>In this case the provision of land would not be an incentive as it imposes a higher percentage.</p> <p>Noted. In this instance the availability of public land is not understood as an incentive but a supporting programme to enable the off-site or in lieu options.</p>
Laurine Platzky	n/a	Pg 25-35	<p>P 25: Concerns about the possible subjectivity in these decisions. Mention is made of experience of officials, but it may become a more difficult task if officials are influenced (or instructed) by political decision makers, who in turn are vulnerable to (financial) favours from developers.</p> <p>This concern is noted and is why a municipal feasibility study, policy and calculator is important to determining the parameters of inclusionary housing contributions on a predictable, consistent and transparent basis.</p> <p>P 30: Agree on prioritising those impacted by gentrification and women. What about some incentive to enable the elderly to stay where they may have lived for years, but need to sell or give up their homes as cost of living increases and they can no longer afford municipal services (even with rates subsidy) and maintenance of their homes? Mixed generation housing is supported: NB.</p>

		<p>The elderly can be beneficiaries of inclusionary housing. The Policy Framework has been amended to note the value of mixed generation housing, which is certainly demonstrated in social housing projects.</p> <p><i>“Consider the legacy of forced removals from areas of now high property values. For example, District Six, Constantia, Claremont and Harfield Village in Cape Town are all instances of this, which has meant that those families were prevented from realising the benefits of home ownership in well-located areas over generations.”</i> Too important to be relegated to a footnote.</p> <p>Noted. This footnote has been brought into the body of the text in the Policy Framework.</p> <p>P 31: Critically important point on screening processes vulnerable to unethical practices. Whole discussion on managing beneficiaries is concerning – so much ethical administration, not simply legal compliance, is required to ensure the system fulfils the objectives.</p> <p>The risk of unethical practice is noted. The risk should not however be a reason not to pursue inclusionary housing policy. Monitoring and evaluation will play a key role in this regard.</p> <p>P 32: <i>“erf which is to be developed may not be big enough”</i> is a concern following the Sea Point case of Tafelberg School where WCG used small size as a reason for not considering affordable housing: <i>“flexibility in the municipal application of inclusionary housing within careful parameters to ensure that the objective of inclusionary housing – to realise housing opportunities in high value, well located locations in our cities and towns where middle-to-low-income households would otherwise be excluded based on affordability constraints – is still met.”</i></p> <p>This concern is acknowledged and the phrasing has been amended, but the point in question does not preclude the development of affordable housing; it simply means that in-lieu or off-site contributions may be more appropriate. This Policy Framework also does not pertain to public land, noting that public land should be treated differently.</p> <p>P 32: <i>‘may be more effective in the short term to allow in-lieu payments that are invested in existing affordable or social housing projects which meet the spatial transformation objectives’</i> This shift is going to be very difficult to implement. At what point will decision makers decide to execute the policy in full?</p>
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			<p>The risk that in lieu contributions become the default is acknowledged.</p> <p>P 33: A problem with the financial contribution (in-lieu payments) would be ringfencing these funds for rapid expenditure and not allowing them to join bottomless pits of unspent infrastructure funds. NB: <i>The funds may not be utilised to subsidise functions the municipality is required to perform outside of this policy.</i></p> <p>This risk is acknowledged and will require close monitoring and transparent public reporting on the part of the municipality on funds received and how they have been invested. Community and advocacy organisations will play a key role.</p> <p>P 34: <i>Restrictions must be effective over the long term, to ensure that affordable housing units are not rapidly sold or leased on to households that fall outside of the targeted income range (down raiding). HOW?</i></p> <p>Rented units can be more easily managed by landlords, especially if this is an SHI. Landlords have an interest in ensuring the right household benefits given the subsidisation.</p> <p>In the case of sold units, title deed restrictions are a mechanism. An entity would need to play the role of publishing annual figures that are used to determine re-sale prices and to monitor and sign off to whom the unit is re-sold. This is a capacity requirement that requires further attention in the implementation of the Policy Framework. The Policy Framework intends to lay out all the options and associated implications for municipalities but it is clear that some modalities of inclusionary housing in the South African context are more practical than others. As such, a municipality may, in its policy, choose not to allow units for sale or determine the basis on which this would be done dependent on capacity.</p> <p>P 35&40: Whereas the CoCT might be able to build the capacity to manage this innovative and much needed policy, the other municipalities in the W Cape are unlikely to manage at the required levels of sophistication and nuance required. The SHRA also has a mixed record in effectiveness. It may be overly optimistic to rely on entities such as the SHRA, which are also selected by political processes.</p>
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			<p>This concern is noted. Some intermediate and larger municipalities have shown levels of sophistication comparable with the City of Cape Town, noting that the number of inclusionary developments are likely to be fewer than the City of Cape Town.</p>
Rashiq Fataar	Our Future Cities	Pg 26-32	<p>6.1.3 Determining Where Inclusionary Housing Should be Applied - Spatial Targeting</p> <p>How can IH impact the amount of time spent on these processes? How can processes become more effective? Local governments need to shorten land use application times – we propose the creation of a specific mayoral or special acceleration targeted to inclusionary housing developments.</p> <p>Municipal measures to support expediting development permissions processes where applications are in support of national, provincial and municipal policy objectives are encouraged. Proactive granting of additional land use rights can go a long way in achieving this, for which there is precedent in the Western Cape. Proposal is noted and may be considered by municipalities.</p> <p>6.2.1.3 Compliance of beneficiaries</p> <p>Are a set of rules/obligations going to be defined for households to comply once they become beneficiaries of IH? Who is going to overlook this?</p> <p>Households benefitting from inclusionary units in a development should not be subject to different rules than others in the development, excepting where it relates to sub-letting or selling, in order not to negate the objectives of inclusionary housing. Oversight would need to be exercised by the owner of the units in the instance of rental units.</p> <p>Institutional capacity is required in municipal or provincial government to oversee units sold. Capacity building will be required at both the Provincial and Municipal Sphere of Government to realise an operational IH process. It must be noted that municipalities allocate resources to building capacity in areas of chosen priority all the time and inclusionary housing, if a priority, should be treated in the same way.</p> <p>6.2.2 On-site, off-site and in-lieu provision of IH units</p>

			<p>Our Future Cities proposes the addition of a new term: near-site. These identified near sites must be within 1km of the developed IH project and/or also must ensure the same social and economic accessibility indicators and similar neighbourhood characteristics. OFC is not in favour of in lieu delivery for IH given the red tape, lack of capacity and slow pace of government and social housing agencies.</p> <p>A limitation of 1km could compromise the feasibility of this option, given that there may not be an appropriate, available site within a strict radius of the original site and may further complicate and delay implementation. The principle that off-site contributions are invested in a manner that supports the policy objective of spatial transformation is however critical and the designation of areas in the MSDF will assist to maintain this alignment.</p> <p>The reservations with respect to implementation using in lieu contributions are noted and these have been noted in the Policy Framework for municipalities to consider when deciding whether to include an in-lieu option.</p>
Stephen Muller	Overstrand Municipality	Pg 26-34	<p>6. Guidelines for the Development of a Municipal Inclusionary Housing Policy</p> <p>6.1.3 <u>Determining Where Inclusionary Housing Should be Applied – Spatial Targeting</u></p> <p><i>Bullet Point 11:</i> In practice this would be a very risky action as the free market does not always respond to the investment. It could mean that municipal investments could lie dormant for years, whilst other critical services could have been provided.</p> <p>A better way is to allow for developers to install upgraded services in lieu of bulk contributions.</p> <p>Yes, this makes sense, thank you. The principle point the Framework is making is that delays, as a result of infrastructure capacity constraints, increase development cost, reduce affordability, eating away at the value of enhanced land use rights that could contribute towards inclusionary housing. Infrastructure plans should be in place and the availability of infrastructure should not be a cause for substantial delay but rather act to incentivise development in the desired locations as expressed in the MSDF.</p>

		<p>This principle is embraced by SPLUMA. SPLUMA, s21 requires MSDFs to plan its infrastructure provision aligned to its plan. The principle is that an MSDF should direct development in a municipality, not be led by it. The risk of infrastructure capacity lying dormant is noted; however, the consequence of not having infrastructure capacities in areas of towns and cities that have been identified for development also has negative consequences. The ability for developers to upgrade the services is acknowledged. It is noted that the need to identify and locate areas for prioritised municipal expenditure is required by SPLUMA and promoted by National Treasury. This is the purpose of the Capital Expenditure Framework and is increasingly forming the basis for national capital allocations to municipalities. While available capacity can de-risk and incentive development in the desired locations, the risk in respect of timing is acknowledged.</p> <p><i>Bullet Point 12:</i> Some guidance is requested here as SPLUMA and LUPA is prescriptive of timeframes for processing applications.</p> <p>Further applications and the processing thereof is bound by fair administrative processes, thus it is not clear on how such shortened procedures could be achieved.</p> <p>Consistent adherence to the timeframes at minimum is important. SPLUMA and LUPA provisions in respect of timeframes do not prevent the municipality from taking decisions in shorter periods of time. A clear articulation in a municipal policy of how applications can be prioritised and expedited, with aligned delegations, by law provisions etc can provide for fair administrative process within this context.</p> <p>The opportunity, however, which SPLUMA specifically refers to, lies in amending the Zoning Scheme By-Law to reduce the procedural and content requirements associated with obtaining planning permission through for an example, an Overlay Zone, which offers, for example, as of right land use rights subject to an inclusionary housing contribution and where public consultation has been concluded in the establishment of the Overlay Zone, or through proactive rezoning of properties by the municipality.</p> <p>6. Guidelines for the Development of a Municipal Inclusionary Housing Policy</p>
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Daniel Plato	City of Cape Town	Pg 28-38	<p><u>Chapter 6.2.2.1</u></p> <p>If public land is leveraged, the additional units contributed could be in proportion to the value of land provided by the state.</p> <p>This principle is supported in the Policy Framework.</p> <p><u>Chapter 6.2.2.2</u></p> <p>It would be helpful for WCPG to consider if there are any other legal arguments for the imposition of a fee in lieu, as it relates to planning legislation.</p> <p>It would also be useful to know if the phrasing “financial contribution” paid as an alternative, functional equivalent” has been legally vetted as not amounting to local government levying a tax. This is one of the key legal uncertainties that the City will also get legal input on.</p> <p>Legal opinion has been sought as to whether the ‘fee in lieu’ can be considered a tax and discussions have also been held with National Treasury. Sharing of legal input between the CoCT and the WCG would be much appreciated. The Policy Framework has been revised based on the WCG's legal input received.</p>

		<p><u>Chapter 6.2.3.1</u> It is not clear in the draft Framework whether engagements with Social Housing Regulating Authority have taken place as it relates to the monitoring of inclusionary units Would they be willing to take this on, if the units are not generated by them? Would they be expected to be financially compensated?</p> <p>SHRA's mandate is to ensure the sustainability of SHIs as a whole and this would continue inclusive of if the SHI has non-subsidised affordable units in its portfolio as well as social housing units.</p> <p><u>Chapter 6.2.</u> It is not understood why a municipality should remain part of this process. If this is an expectation from WCPG then they should also advise on where the funding for this capacity and resources should come from. If one already considers all the incentives and discounts presented so far this is just not a feasible proposition for municipalities to manage in perpetuity.</p> <p>Sections 3 and 4 of the Policy Framework explain the municipal mandate in respect of inclusionary housing. Inclusionary housing must be understood as a planning and land use regulation tool governed by land use regulatory powers, which powers sit primarily at municipal level. The imperative for municipalities to pursue spatial justice, including inclusionary housing, is clearly apparent from the legal framework. Furthermore, the Bill of Rights requires the state (inclusive of local government) to take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis and to achieve the progressive realization of the right to adequate housing. There are varying issues, policies and strategies, which change over time and which municipalities choose to resource [in and outside of the legislative framework], and in so doing, make trade-offs in respect of how resources are allocated. It is a question of the priorities of the municipality and designing a municipal policy that is practical for the municipality to implement. Municipalities are not without resources to fulfil this legislated expectation.</p> <p><u>Chapter 6.2.5.1</u> There are many potential authorities needed for high impact developments and not only planning permissions. To understand the impact on "holding cost" a proper factual inquiry should be made and not just merely rely on assumptions or untested statements.</p>
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		<p>The Urban Real Estate Unit has conducted an extensive study documenting the time taken to obtain the full suite of development permissions. This research has been shared with the City and the City has been invited to engage with this research. The City's own research has indicated that the length of time taken to obtain planning permissions is a key area that, if improved, can be one of the most impactful incentives. Expert input was also received in the drafting of the Policy Framework. Chapter 6.2.5.1 does not contain assumptions or untested statements. Extensive input has also been made by the property development sector in various forums, including in the comments reflected herein on the draft Policy Framework, which suggest that there is a significant opportunity for municipalities to improve the ease of doing business with them. Similarly, it is acknowledged that opportunities exist in provincial and national government to do the same, and initiatives are underway in this regard.</p> <p>It also needs mention that municipalities have many other "priority" applications its administration must attend to, and that adding more is not the answer as it is impractical and will serve no purpose.</p> <p>The legal expectation that municipalities pursue spatial justice and specifically well-located affordable housing opportunities is not an additional or new priority. A municipality decides on its priorities with respect to national, provincial laws and policies as well as its own electoral mandate etc. It is acknowledged that this is a balancing act and may require that the municipality review priorities and concomitant resource allocation, to ensure alignment to legislation, policy and plans, as well as court rulings.</p> <p>Prioritising specific applications may be unnecessary if a municipality fully exploits the opportunities to reform its planning permissions system, in so far as it can, to address affordability constraints in the housing market. The importance of this is supported by extensive international evidence and practice, as well as feedback from the property development sector. This is a key reform area that is within a municipality's means to pay attention to, to contribute to its legislated requirements and the imperative to transform and enhance the sustainability of our cities, towns and society.</p> <p>The suggestion that prioritising inclusive development would serve no purpose is disputed.</p>
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Pierre Venter	The Banking Association of South Africa	Pg 29	<p>Section 6.2.1 – The section that reads: “A general guideline in considering qualifying households is that households should not pay more than 1/3 of their income on household expenses (rent/mortgage, utilities, rates, levies insurance, and other expenses). However, in South Africa this threshold may be as low as 15% - 25% due to other costs, especially transport (Gallows, Eliason, & Shonfeld, 2011). If a household pays more than this on housing-related expenses, then it is overburdened and has less money to spend on other essentials. The household’s resilience in the face of year on year increases in costs is also compromised.”</p> <p>Recommendations</p> <p>We would caution against this being included in the policy, as in our view, this may yet be another artificial exclusionary hurdle for low-income households to overcome as the cost of housing units is given regardless of income which would have a great impact on lower-income households in terms of the income to household expenses ratio. For instance, if the rent/ mortgage repayments on a unit is R7 000 and a low-income household earns R15 000 the ratio would be 47% where a mid-income household earning R25 000 would have an income to expense ratio of 28%. If there are no reasonable options for the low-income household to find inexpensive accommodation, they would be forced to seek accommodation in periphery areas which perpetuates the status quo.</p> <p>Given that the borrowing propensity for households varies on a case-by-case basis based on their other debt, the National Credit Act No. 34 of 2005 imposed the need on Lenders to establish a household’s real affordability, by requiring them to complete an income and expenditure statement, which is interrogated by Lenders. This ensures that households do not overcommit themselves.</p> <p>The point made in respect of the risk associated with identifying an income to household expense ratio as a qualifying criterion in this Framework is acknowledged. the Policy Framework has been amended to take cognisance of this. A guideline ratio to reference in determining affordability levels more generally at the housing market study stage, may however be useful to municipalities, but the risks will be noted.</p>
Cor van der Merwe	SAACP South Region	Pg 31	<p>The Council’s simply do not have the time or resources to comply with the following:</p> <p>“Excepting where inclusionary stock is to be owned, allocated and managed by a SHI, municipalities would need to play a monitoring and compliance role via an initial report submitted by the developer, landlord or managing institution on the allocation of the units. This report should include evidence of the</p>

		<p>qualifying households meeting the agreed criteria as set out in the inclusionary housing agreement attached to the planning permission. Further reporting agreed to in the inclusionary housing agreement may also be required to ensure that subsequent tenants or owners continue to meet the criteria. The WCG or municipalities should ground-truth such reports from time to time on a sample basis to oversee compliance. Sale and lease agreements should allow for such checks to be conducted.”</p> <p>Concerns raised regarding the lack of municipal capacity to fulfil expectations in relation to Inclusionary housing are acknowledged. Capacity building will be required at both the Provincial and Municipal Sphere of Government to realise an operational IH process and partnerships will be necessary to ensure capacity.</p> <p>One of the main incentives should be off-set against Development Charges if IH is provided. Glad to see this is mentioned in Section 6.2.5.</p> <p>Noted</p> <p>This bullet point does not read properly (page 37):</p> <p>“This may mean that that ownership options target the upper threshold of the income group targeted by an inclusionary housing policy for practical reasons.”</p> <p>Thank you, this bullet point has been amended.</p> <p>The following should be treated with great circumspection. Firstly, a number of Overlay Zones already exist in the CoCT, e.g. the HPOZ overlay zones. These Overlay Zones do not negate or remove the need for a developer to lodge an application to the City; in other words, any property situated within a HPOZ overlay zone still requires an application to the City, plus advertising, despite the fact that it’s in an overlay zone. Does the introduction of an IH Overlay Zone automatically mean that no LUMS application and/or public participation will be required? Also, few applications are fully DMS and/or title deed compliant. This could then mean that, even if the developer complies with the IH Policy by providing affordable housing units in the development, other components of that development e.g. a setback departure, will still require an application to be advertised, and any objections could completely take any advantage of time (or a “streamlined process”) away. Thus, there would be no benefit to the developer at all from a timing perspective.</p>
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			<p>Yes, an IH overlay zone will not excuse the applicant from making a development application or undertaking required public engagement, as set out in the overlay one. In the set up and design of this overlay zone, municipalities should seek to minimise such requirements where sufficient public participation has taken place in the establishment of the overlay zone. The possibility that an application may trigger other application requirements, that may negate the benefits of the overlay zone, is acknowledged and the Policy Framework has been amended to bring a municipality's attention to mitigating this risk.</p> <p>The following statement is, with respect, not a reality at all. We in the industry encounter the direct opposite of the above on a daily basis.</p> <p>“The capacity of officials to engage actively, promptly and confidently with development applications in terms of the Inclusionary Housing Policy is also an important basic element to put in place. A predictable, standardised approach to calculating inclusionary housing contributions where project-level negotiations are the exception, not the rule, will also contribute in this regard.”</p> <p>Noted.</p>
Frank Cumming	City of Cape Town: Urban Catalytic Investment	Pg 32-36	<p>The issue of the value of development rights is a very important consideration for the viability of inclusionary housing in developments, particularly in relation to cross subsidy.</p> <p>The unit sizes responding to different family compositions based on the profiling of households in need of affordable housing is a very important consideration to ensure that Inclusionary Housing addresses the full spectrum of households in need of affordable housing in well located areas.</p> <p>The careful consideration of incentives is an important one and facilitates making Inclusionary Housing viable.</p> <p>These points are noted.</p> <p>g. 32: - “the erf which is to be developed may not be big enough to accommodate a separate building of inclusionary units”- this seems to imply that inclusionary units must be in a separate building from the market units and this must be carefully considered as it presents opportunities for exclusion on a site.</p>

		<p>This risk is acknowledged. Some developments will present trade-offs. This is a current consideration if social housing subsidies are used, as it is a SHRA requirement to have a notarial deed registered over social housing stock to protect state investment and ensure preservation, although it is understood that SHRA have taken this requirement under review as it does present a major hindrance to mixed market, inclusive developments on well- located land. Progress in this regard will be monitored.</p> <p>Pg. 36: - it is suggested that a household is not prevented from selling a unit when circumstances necessitate it for market churn, but that this may result in the affordable unit being lost. As a consequence, the policy should consider mechanisms for enshrining affordability in perpetuity.</p> <p>Agreed. The draft Policy Framework does not prevent on-selling, but does seek to address securing affordability in perpetuity through capping the sales price of the unit to ensure that the unit remains affordable to the targeted income group. This does however require a public institution to confirm annual rates and to “sign off” on subsequent sales.</p> <p>Pg. 23: - A concern is raised as to whether a policy can take an informed decision on quantum of contribution without a feasibility study within the local context?</p> <p>Agreed. The draft Policy Framework recommends that a feasibility study is done at town or city level to determine a viable contribution.</p> <p>Pg. 24: - Access to municipal valuation rolls to be made easily accessible for spatial planning purposes. Privacy concerns prevent the accessibility of this data in Municipalities.</p> <p>Agreed. This is relevant spatial intelligence to support spatial planning and should be made available to the spatial planning function within municipalities. This data can be de-identified to understand trends. POPIA need not be a limitation to sharing such data responsibly both in the interests of evidence-based planning and privacy concerns.</p> <p>Pg. 32: - Demarcation of areas in MSDFs as “Priority Development Areas” or “Strategic Transformation Areas” would assist with the effective implementation of the Inclusionary Housing Policy, which may include such provisions. Province to support Municipalities to standardize terminology and include</p>
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			<p>demarcation in their MSDFs when SDF assessments are undertaken. (p. 32) Include “Receiving areas” for inclusionary housing in the SDF review (p. 33).</p> <p>The need to standardize terminology and for the WCG to, in its MSDF monitoring and support role, promote the designation of areas for spatial targeting and the aligned application of inclusionary housing policy, is supported.</p>
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Comment made by	Organisation	Point of Reference	Comment and Proposed Response
7. SUPPORTING PROGRAMMES / ACTIONS			
Rob McGaffin	UCT/URERU	Pg 39	<p>The report states:</p> <p>The municipal resource (financial and human) requirements could be significant for a smaller municipality with limited human and financial resources and expertise. The WCG acknowledges the extensive enabling, capacity building and support role it will need to play. However, given the likely scale of provision outside the metropolitan municipality, this is unlikely to be unmanageable if the WCG, municipalities and other stakeholders such as the SHRA and SHIs work together.</p> <p>This again highlights the issue of scale. Can the WCG justify allocating such resources and implementing such systems if the yield is going to be so low?</p> <p>The purpose of inclusionary housing is to pursue a more inclusive, spatially transformed city/ town, not to pursue housing delivery at scale. The rate of settlement growth between the cities, towns and smaller settlements is cyclical. Recent increases in semi-migration could exacerbate the impact of exclusionary land markets in smaller cities and towns. These settlements and their surrounding environments may be less able to withstand the financial burden of inefficient, exclusive settlements patterns. Initial investments to demonstrate that more inclusive developments are possible may have a lasting impact on these towns. The proposed resource allocation to support smaller cities and towns is not necessarily significant per town and can support these towns to consider a range of interventions to promote affordable housing delivery. The investment will be towards long term transformation.</p> <p>Section 7.3 should also include the WCG function of receiving in lieu payments when a municipality is unable to do so.</p> <p>Section 7.3 of the Policy Framework has been amended to include this option, thank you.</p> <p>The report states:</p>

			<p>Permissions required in terms of NEMA and the NHRA will be made as efficiently as possible, within prescribed timeframes, in order to minimise the risks such permissions processes might present to development.</p> <p>This does beg the question that if the market is not supplying enough affordable housing because of cost drivers that are partially due to development process timeframes, why is this not a strategy to deliver affordable housing at scale?</p> <p>The suggestion that a project to reduce costs and de-risk development should be a strategy in itself to deliver affordable housing at scale is noted and will be taken into the WCG's ease of doing business initiatives with the City of Cape Town and other municipalities and linked to the WCG's approach to promoting the development of more affordable housing.</p>
Laurine Platzky	n/a	Pg 40	<p>P 40: Good to hear: <i>The WCG has pioneered the release of well- located state land for mixed market development, with a target of 50% of the site's residential yield to go towards affordable housing. The WCG is committed to reviewing government property for well-located land for affordable housing across the province, and to developing an associated land release programme that will continue to target at least 50% of the yield for affordable housing.</i></p> <p>Noted</p>
Rashiq Fataar	Our Future Cities	Pg 40	<p>Partnerships How can partnerships between different actors be encouraged and bridged into alliances that benefit the implementation of IH? No mention of partnerships with property developers, funders, etc.</p> <p>Section 7.2 on Partnerships has been expanded to include property developers, funders, etc. and to emphasise the importance and opportunity in partnerships.</p> <p>Discussion of 'pipeline' of well-located municipal land for development</p> <p>Not clear if and how municipal land is to be released for IH delivery. It is time to deliver inclusionary and affordable housing units NOW. The local and provincial governments must play their respective parts.</p>

			<p>Inclusionary housing is a mechanism specifically applicable to private land, although <i>in-lieu</i> contributions can be directed towards the development of affordable housing on well located, state-owned land.</p> <p>Mixed market housing development projects inclusive of affordable housing on public land is a separate, arguably more important, mechanism to increase the supply of well-located affordable housing. The urgency is supported. The legislative environment governing the release of public land does empower government to release such land for affordable housing. The WCG has a number of such projects in the pipeline. Such projects offer the opportunity to absorb <i>in-lieu</i> contributions made by developers towards deepening the affordability reach, increasing the yield or securing viability. Hence, the Policy Framework identifies provincial and municipal land assembly as a key support programme. The municipal Human Settlements Plan and MSDP should identify such a programme of land release. National government should also play its role in making available well-located land owned by national organs of state.</p>
Cor van der Merwe	SAACP South Region	Pg 41	<p>With regard to Section 7.4 (page 41) of the Framework, it is yet to be seen how and if any planning permissions can or will be “expedited”. The officials are simply not coping with the workload, period. There are no plans or intention to employ more staff. Many, many hours and countless meetings have been held with all levels of local authority management to suggest, recommend, ask, etc. changes with regard to delegations, exemptions, etc. in order to streamline and lessen the excessive number of requirements, red tape, legislation, etc. All to no avail. Officials are completely overworked, not coping, and are trapped in endless and extreme levels of “nit picking” and minute details. This is the single most common and important frustration experienced by the industry in dealing with Council.</p> <p>Noted. This is not the case across all municipalities. The Western Cape Government has a programme underway to engage with the City, and other municipalities, on the ease of doing business.</p>
Daniel Plato	City of Cape Town	Pg 41	<p>Chapter 7.4</p> <p>It is recommended that further discussion between the City and the WCPG take place related to following “integrated decision-making processes where multiple permissions are required in terms of different pieces of legislation relating to land development”, in order to enable a cohesive approach and better coordination.</p>

			The Western Cape Government welcomes further discussion with the City of Cape Town regarding integrated decision-making processes discussed further in DEA&DP Circular 0026 – 2020_Integration of Development Planning Applications. This Circular is hyper-linked in the revised Policy Framework.
Neil Schwartz	V&A Waterfront	Pg 41	<p>1. As seen on page 41, expediting land use procedures is seen as an incentive for private landowners to provide IH. However, such an incentive needs to be assessed against additional administrative requirements on top of existing pre-application and application processes, e.g. pre-application engagement with the municipality to confirm applicability of the IH Policy, the quantum of IH contribution, feasibility, on-site, off-site or in lieu contributions; and conclusion of an Inclusionary Housing Agreement between an applicant / landowner / developer and a Municipality to accompany the planning approval, as described on page 22 of the draft framework.</p> <p>This point is acknowledged. The Policy Framework has been amended to give further attention to mitigating this risk.</p> <p>2. Further incentives include removing or reducing planning requirements, such as parking requirements, or discounting or deferring the payment of Development Contributions (DCs) for the affordable component. In the City of Cape Town, the effectiveness of removing or relaxing parking requirements as an incentive should be assessed given the coverage of Public Transport (PT) / parking zones which already minimise or completely remove parking requirements; the overlap between PT zones and areas defined as well-located (along public transport corridors and nodes) means that minimal parking provision may not be a strong incentive to provide IH.</p> <p>The possibility that reduced parking requirements may not be an incentive in Cape Town is acknowledged. This may however be affected by the City of Cape Town's recent determination that PT1 & 2 zones are subject to a public participation process. The Policy Framework is applicable to the Western Cape. The effectiveness of incentives, including reduced parking requirements, may differ between cities and towns. The Policy Framework proposes that feasibility studies measure the effectiveness of a range of incentives, in order for a municipality to select the most impactful incentives.</p>

Comment made by	Organisation	Point of Reference	Comment and Proposed Response
8. APPLICATION OF THIS POLICY FRAMEWORK			
Daniel Plato	City of Cape Town	Pg 42	<p>WCPG input into how best to reflect proposed areas for Inclusionary Housing in the 2022 MSDF's in the event that the MSDF is approved before an Inclusionary Housing Policy, would be appreciated.</p> <p>As required in SPLUMA s21 (i), the MSDF must identify the designated areas where inclusionary housing policy may be applicable. In associated guidelines contained in the MSDF, the MSDF can make explicit the municipality's intention with regard to inclusionary housing policy and, if the municipality intends on introducing a municipal inclusionary housing policy, to state that the implementation of this will be triggered by the approval of the policy, with indicative timelines. The municipality may consider putting in place an interim arrangement should developers seek additional rights in these areas; for example, noting that voluntary inclusionary developments will be favourably considered. The draft Policy Framework does provide guidance in section 6.1.3. Further guidance has been included in section 8. Even if the MSDF designation precedes a policy, this is an important measure to prepare investors for the likelihood of such a policy when they are considering the purchase of land in these areas and to factor this into their feasibilities and land price offered, in order to avoid the risk to developers of having to absorb this cost downstream. The City's extensive research into areas suitable for the application of inclusionary housing policy is noted as good practice to build on over time and to share with other municipalities.</p>

Comment made by	Organisation	Point of Reference	Comment and Proposed Response
9. POLICY MONITORING, EVALUATION AND REVIEW			
Daniel Plato	City of Cape Town	Pg 42	<p>It is noted that WCPG intends to use the draft Framework to monitor and evaluate the impact of implementation of inclusionary housing policies in terms of output, which includes the number of inclusionary housing agreements entered into and complied with and so on. It assumes that all municipalities will follow this method and it appears to remove the municipalities' discretion to make decisions as deem fit. This is of concern to the City and it is suggested that the paragraph is redrafted to demonstrate that the draft Framework is to be used as a guiding tool. (DM)</p> <p>Section 9 has been amended to take into consideration this point.</p>
Rob McGaffin	UCT/URERU	Pg 43	<p>The number of developments that do not proceed because of the inclusionary housing policy should also be monitored.</p> <p>Agreed, included.</p> <p>The impact of the inclusionary housing policy on fuelling gentrification should also be monitored.</p> <p>Noted. The revised Policy Framework has taken this into consideration.</p> <p>The report states:</p> <p>This review process should be supported by an annual report compiled by municipalities that have adopted inclusionary housing policies reporting on the planning permissions granted with inclusionary housing conditions and the status of compliance with these conditions. This should include where in-lieu contributions have been made and how these have been invested, as well as picking up any implementation challenges and policy adjustments needed. This can be integrated with the annual performance review of MSDFs.</p> <p>Considering the already onerous reporting requirements of municipalities and considering the likely low yields that an inclusionary policy will generate, can such additional reporting be justified?</p>

			<p>If low yields are expected, the reporting requirement may not be onerous and will be assisted by the system a municipality sets up to register planning permissions and conditions and track compliance with these, which it is required to do. Partnerships can be entered into to assist municipalities with reporting, provided the municipalities maintain orderly records at the point of granting permission (maintain a register) and make the information available, both of which are in any case good practices.</p>
Rashiq Fataar	Our Future Cities	Pg 43	<p>Role of academia and research institutions in measuring impact and also IH advocacy work.</p> <p>The opportunity for academic and research institutions as well as other civic or non-governmental organisations to play a role in both monitoring and evaluation, as well as advocacy I supported and has been identified in the revised Policy Framework.</p>