

# CITY OF CAPE TOWN

## “DIBANISA IINTSAPHO” (“INTEGRATING FAMILIES”) HOSTELS TO HOMES REDEVELOPMENT PROGRAMME

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# Overview

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# Background

- Pre-1994: Public and Private Hostels built in Cape Town to accommodate migrant labour
- National Government rolls out the Hostels Redevelopment Programme with an initial allocation of R325 million
- National Housing Forum (NHF) initiated the development of a National Hostels Co-ordinating Committee (NHCC) which was instrumental in the development of the Hostels Redevelopment Policy and Programme
- The Housing Code sets out the policy and programme
- Municipalities may submit application for subsidies to the PHDB
- The hostels programme recognises the primary principle of inclusive planning and design in respect of hostels community and beneficiaries (I.e. Local Negotiating Group – LNG)

# Background cont.

- During 1995 the then Ikapa Transitional Local Authority commenced with Programme
- Phase 4 (to be completed May. 2007) geared to 1000 upgraded and new units (based on 1:1 ratio)
- Phases 1 – 4 of the project has delivered new rental units (converted flats) totalling 2325
- Programme geared to deliver 8000 upgraded and new family units over 8 years
- Programme links with the City's Social Housing Strategy and Policy launched in May 2003
- An internal City inter departmental team has been established to look at all aspects of the development
- City looking at alternative funding mechanisms to sustain programme

# Strategic Guidelines & Issues

- Corporate IDP Strategy
- This programme is guided by the provisions of the Housing act of 1997 (section 1 and 2 on definitions of “Housing development” and General Principles Applicable to Housing Development, respectively) and the Housing code which details the Hostels Redevelopment Programme
- It further links with the City’s IDP which is guided by the Municipal Systems Act of 2000. The following programme elements of the IDP which define such linkages are as follows, namely:
  - New development in urban core (Housing Components)
  - Urban node regeneration (Improving existing and infill development)
  - New subsidised Housing (new rental housing development)

# Strategic Guidelines & Issues cont.

- Presidential Urban Renewal (Council rental stock being the major provider of housing opportunities for low-income households)
  - Integrated neighbourhood Interventions (Linkages to improving the existing and new housing programmes).
  - Community empowerment and development
  - Targeted Social Support
  - Institutional Development and good governance
- Optimal use of limited but well-located land
- Communication and Public Participation
- Housing as a Socio-economic Driver
- Innovative Institutional Initiatives – City's Social Housing Programme

# Policy Guidelines & Issues

- Integration and Densification of the Hostels
- Integration of Programme into the City's Social Housing Programme
- Integrating into the Management of Stock (Policy and Procedures)
- Promotion of Group Ownership (TOP)
- Building Sustainable Communities within the Built Environment
- Hostels policy: (Review process)
  - Allocations
  - Displacement
  - Debt Management
  - Maintenance
  - Day to day management

# Policy Guidelines & Issues cont.

- The City of Cape Town Social Housing programme is geared to helping meet key social housing objectives in the City of Cape Town through 3 interlinked programmes:
  - Good Basic Housing Management Service for its 42,000 social housing units and estimated 21,000 hostel beds
  - Tenure Options Programme – Supporting the transfer of some of the city’s public housing stock to Housing Co-operatives, Housing Associations and bodies corporate.
  - In the process of developing at least 5,000 well located social housing rental units over the coming 5 years through public private partnerships with Social Housing partners – the first at two of these partners were selected through a competitive process in 2003. This is over and above the Hostels redevelopment programme geared to deliver 8000 new units over 8 years.
  - Finding alternative accommodation for the hostel back yard dwellers and the displaced



# Defining Funding Sources

- The programme is funded as follows:
  - PGWC (government/hostels subsidies)
  - City contribution (Social Development Capital Fund)
  - External Finance Loan Finance (EFF)
  - Currently the Provincial subsidy contribution constitute average of 60% of the overall development costs with the balance sourced from the City
  - Above funding streams geared toward construction works and service connections

# Defining Funding Sources

- Expenditure to date

Phases 1 & 2 (completed): Units completed – 825

Total Expenditure R24 408 722

## Funding Sources

Funds generated/used (PHDB) 66,5% R16 242 722

Contribution by City (incl. VAT) 33,5% R 8 165 311

# Defining Funding Sources

## Phases 3 (completed): Units 500

Total Expenditure		R17 927 594
Funds generated/used (PHDB)	R9 200 000	
Contribution by City's SDCF (incl. VAT)	R8 727 594	

## Phases 4 ( – completion in July 2006):

Units 1000		
Total Budget		R48 349 953
Funding Sources		
Funds generated/used (PHDB) 57,6%	R24 349 000	
Contribution by City's SDCF (incl. VAT)	R24 000 953	

## Phase 5 (-planned for completion in May 2008)

Units 1000		
Total Budget		R 83 058 166
Funding Sources		
PHDB	R37 768 000	
City's SDCF	R34 664 678	
City's EFF	R10 625 488	

# Development approach

- Informed by Hostels redevelopment policy
- Part of the City's Corporate IDP programme
- convert existing & build new family units 1:1
- holistic development
  - Addressing densification and locational advantages
  - improve living environment
  - Strengthen existing socio-economic resources
  - Small and few schemes (e.g. trading premises) might not create new and sustainable job opportunities
  - Building organisational and human capacities through structured training and education programmes
  - Transactional Costs (e.g. transport costs, etc.)
  - Lack of research studies (i.e. what is impact of locational advantage to economic benefits)

- Areas; Langa, Guguletu, Nyanga, Mfuleni and Lwandle
- scope: +8000 family units over 10 years
- infrastructure improvements
- progress to date

# Management and Policy Challenges

- Ability to provide a good basic housing service
- Well resourced housing estates offices and programme development team
- Sustainable socio-political support
- Common policy and procedural guidelines for managing rental stock
- Integrating management of hostels within Unicity Policy
- Addressing critical management/policy issues (namely: allocations, displacements, debt management, maintenance, etc.)
- Sustaining funding for the hostels redevelopment programme
- Alternative funding mechanism to sustain City contribution and programme
- Addressing affordability through the City's Indigent Policies
- Closer co-operation with community structures to sustain support (e.g. LNG)

- Organisational and Human capability (training and education)
- Dealing with abandoned private hostels and densities (Partnerships with owners and private companies)
- Successful promotion of group tenure ownership

# Local economic development

- Intend to use ground floor trading space
- use management agents for management of trading spaces
- Linking hostels development to City Growth Areas – job opportunities
- Linkage with IDP programme

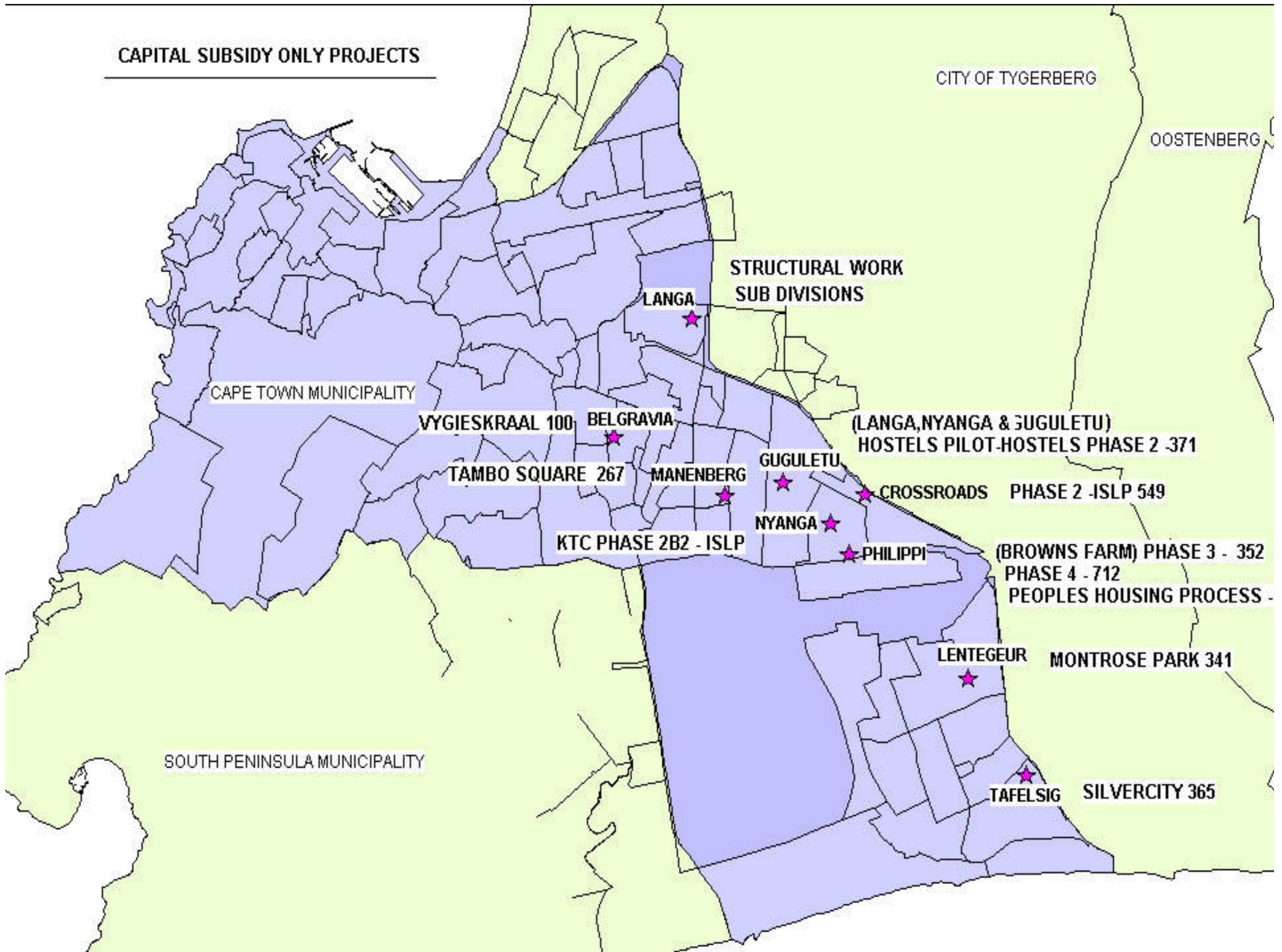


# Conclusion

- Well defined strategy and Policy
- Hostels Programme and management standards to be equitable
- a partnership with the community, private/public, NGO sectors
- public hostels will largely disappear (medium to long terms)
- + 8000 flats developed
- economic opportunities created
- quality of life improved
- 30 - 40 000 people affected



**CAPITAL SUBSIDY ONLY PROJECTS**









LANGA ZONE 20 PHASE 2 - 2001





LANGA SHOW UNITS 2001



NYANGA DEMO UNITS 2001





NYANGA PHASE 2 - 2001





GUGULETU PHASE 2 - 2003

Enkosi / Thank you / Dankie

question time