
9. IMPLEMENTATION STRATEGY

9.1. Introduction

In response to the challenges faced by the City of Joburg as discussed in this report, the Implementation Strategy for the Sustainable Human Settlement Urbanisation Plan comprises a number of priority Strategic Interventions and Strategic Levers to be implemented by the City in the short to medium term.

The first seven Strategic Interventions are targeted at achieving very specific city-wide intentions relating to the optimum utilisation of public land for affordable housing and public amenities, diversifying the range of housing typologies and tenure options, enhancing private sector involvement in housing delivery, improving delivery mechanisms and financing options, and identifying larger strategic projects requiring much more in-depth research. These were developed within the context and scope of the SHSUP process and were indicative of the most significant and relevant issues in addressing future “housing” approaches within the City.

During the course of extensive presentations to the political Sub-Committee Clusters and Mayoral Committee and Mayoral Legkotla during the first half of the 2012/13 Financial Year a number of issues and elements that had not been covered or subject to the scope of the SHSUP. These were nevertheless issues that would contribute to the City developing a better, more nuanced approach to the concepts of sustainability and urbanisation. With a view to incorporating these issues and to ensure that approaches and processes are developed to support them, additional Strategic Interventions have been included in this revision of the SHSUP.

With regards to the Strategic Levers, the City has at its disposal several legislated powers and functions which it can utilise in pursuit of more sustainable human settlements and a more sustainable city in general. These Strategic Levers cut across all Departments of the City and can mostly be implemented as part of the daily operations of departments at precinct scale, along corridors, or for the City as a whole.

Annexure J comprises a summary of each of the ten Strategic Levers identified, as well as a set of Strategic Objectives and list of Actions to be implemented to achieve the Strategic Objectives.

The Strategic Interventions and the associated Actions to be implemented under each of these are summarised in the table below and discussed in Section 9.2 following.

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Action 6.1: Promote Development Incentives to Stakeholders

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Action 8.4: Impacts on Affordability of Services and Transport Networks

STRATEGIC INTERVENTION 9: MANAGEMENT OF CITY SPACES AND PLACES

Action 9.1: Initiate Strategic response to Land Invasions

Action 9.2: Develop approach to Management of decaying/ Decayed Areas

Action 9.3: Impact of High Densities and Defining Norms and Standards for Formal and Informal

Sector

Action 9.4: Detailed Design Codes

STRATEGIC INTERVENTION 10: RESEARCH AREAS

Action 10.1: Understanding the spatial locations and accommodation choices made by migrants

Action 10.2 Understanding the dynamics and changing role of the Inner City as a commercial node and residential hub (for both the formal and informal sectors)

9.2. Priority Strategic Interventions

STRATEGIC INTERVENTION 1: UTILISE HOUSING DEMAND AND OPPORTUNITIES MODEL TO INFORM STRATEGIC PLANS AND POLICIES

Why Important? The Housing Demand and Opportunities Model is a valuable tool for the City which can be utilised to assist in taking better informed policy decisions. The model has the ability to quantify the implications of policy amendments (answering “what if” questions) e.g. it could quantify the implications of increasing or decreasing maximum densities allowed in certain areas, adding more land parcels to the existing Strategic Areas or reducing the size of Strategic Areas, changing the income composition of various Strategic Areas, or changing the composition of housing typologies and associated densities per income group in specific areas.

By running various scenarios for Strategic Areas or for individual land parcels within Strategic Areas, the City will be able to do a comparative analysis on the impact of different variables in the scenarios in terms of number of units per typology and per income group generated, average densities achieved, cost implications in terms of engineering services and top structures, tenure options delivered etc.

This can be a very powerful tool to guide and inform decisions related to aspects such as density policies to be applied in certain areas, the amount of land required to achieve a specific target in terms of income groups and/or typologies, cost implications of various housing typology scenarios etc.

The first objective of the City should however be to ensure that this model is made available to all planners working in the various regions in the City and for these officials to be capacitated sufficiently to be able to optimally utilise the model in their day-to-day operations.

Action 1.1: Validate and Refine Housing Demand and Opportunities Model Base Scenario per Region

What? The Base Scenario which was formulated as a “first run” for the Housing Demand and Opportunities Model was based on a number of assumptions as described in Section 8.3 of this document.

These assumptions were applied as broad “points of departure” and in most instances a standard assumption was applied to all land parcels contained in a specific Strategic Development Area. It should however be noted that different land parcels located within the same Strategic Development Area may require different assumptions based on the unique characteristics of the individual land parcels.

In view of the above, it is suggested that as a first step in terms of the implementation of the Housing Demand and Opportunities Model, the City initiate a process to validate and/or refine the Base Scenario results of the model per each of the seven Regions.

This process would firstly require that all the land parcels per each of the eleven Strategic Areas be sorted per Region. The planner(s) responsible for each of the Regions will then have to assess the Base Scenario assumptions made per land area/precinct and make adjustments where necessary in order to ensure an improved set of Base Scenario results for each of the land parcels/precincts in the Region, and for the Region as a whole.

Following is a step-by-step description of the process to be followed with the Modderfontein land area/precinct which is part of the Consolidation and Infill Strategic Area, as an example. The attached diagrams illustrate the process graphically.

- Assess the current demarcation of the precinct or identified land parcel, adjust where necessary, and measure the size of the amended area (Step 1).
- The amended area size is inserted in the model as the total map area (Step 2).
- The next step is to assess the assumption in terms of the total percentage of developable area within the precinct. In the case of Modderfontein it was assumed that about 52% of the total map area would be developable which translates to about 1104 hectares of developable area.
- The next step is to assess the allocation in terms of income distribution in the area. In the case of Modderfontein it was assumed that about 30% would go towards low income, 40% to middle income, and 30% to high income. This assumption needs to be reassessed by the regional planners and adjusted if necessary (Step 3).
- Step 4 is to assess the housing typology composition per each of the three income groups. From the attached diagram (Step 4) it is evident that for the low income component in the Modderfontein area, the housing typologies were 20% for mixed use, 60% for duplex row housing, and 20% for low rise flats. These percentages may be changed based on more detailed knowledge of the area, existing precinct plans or township applications etc. Based on this it may be decided to include a larger variety of housing typologies, or to change the proportional representation of various typologies per income category.
- Once the housing allocation is completed, the model will determine the new total residential yield for the area. This is done by multiplying the average density generated by the various housing typologies (Step 4) with the total developable area as determined from Step 2.

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- The Land Use Budget process (Step 5) will run as part of this phase, and indicate how much of the original developable land (2116 hectares) is used for residential purposes. In the Base Scenario for Modderfontein about 523 hectares of the original 2116 hectares of land demarcated is eventually utilised for residential purposes.

As noted on the Step 5 Diagram about 902 hectares of land was allocated as open space due to the prominent environmental features in the area e.g. the major waterway with dams running through the area (see photograph under Step 1).

- The next step (Step 6) is to assess the phasing allocation as was contained in the base scenario and to make the necessary adjustments where applicable. As indicated in the attached diagram (Step 6) the Base Scenario allocated an even distribution for the short, medium and long term for the low and middle income categories. For the high income it was assumed that 50% would be developed in the short term and 50% in the medium term.
- Step 7 provides an indication of the cost implications of the scenario as it was defined in Steps 1 – 4 discussed above.
- As far as tenure split is concerned, the City has an opportunity to make amendments in terms of the assumptions of full ownership vs rental stock per each of the typologies (Step 8). In the case of the mixed use typology, the assumption was made that it would comprise 50% full ownership and 50% rental stock in the case of Modderfontein. These figures can be amended for low, middle and high income typologies for each of the income categories. In the Base Scenario a standard split of 50:50 was used, but this can be refined in future based on unique circumstances or characteristics in different areas.
- Step 9 results are based on the total residential yield determined in Step 4. It will highlight the total costs for the provision of community facilities, as well as the number of facilities required for the specific precinct.

It is imperative that City Planning officials conduct the refinement and amendment of the Base Scenario through the Spatial Development Framework and Regional Spatial Development Framework Outreach public participation process for 2012/13. It could typically provide guidance relating to density limits which may be increased or decreased, and/or new areas that may be required to be earmarked for development in order to meet housing targets in different parts of the City.

Who? CoJ Development Planning assisted by the Department of Human Settlement

Timeframes: The assessment of the base scenario results should be completed within the timeframes for the next RSDF review processes which commence during the fourth quarter of 2012.

Operations/Capital Funding: No additional operations or capital funding is required to conduct this exercise as the work will be done by officials in service of the City of Joburg.

Action 1.2: Development Plans for newly identified Strategic Areas

What? Many of the Strategic Areas identified as part of this investigation already have detailed Development Frameworks and Precinct Plans which guide and direct development in these areas. This is specifically relevant to most of the Mixed Use Nodes, BRT routes, TOD stations, Current Housing Project Areas and even some of the Expansion Areas.

However, there are two new Strategic Areas for which the City needs to initiate in-depth planning initiatives within the context of the SHSUP – the Mining Belt and the North Eastern Consolidation and Infill areas.

Mining Belt

The mining belt was identified as a major resource available (but currently underachieving) to the City which could potentially accommodate more than 70,000 low, middle and even high income residential units. Apart from the residential yield, the development of this area would also contribute significantly towards the physical, social and economic integration of the northern and southern parts of the City. It thus requires detailed research including specific attention to the area immediately south of the city centre and a possible inner city rail-loop as highlighted in the GSDF. This investigation should at least include the following:

- a) identify all potentially developable land and structuring elements (reserves, servitudes, sensitive areas etc) in the mining belt based on existing documentation or new field research and interviews with major stakeholders like the mining houses;
- b) determine the most likely future land use for each of the developable land parcels and critical interventions required to develop these areas to satisfy all criteria for good urban form;
- c) identify the land parcels which could be utilised for future affordable housing projects or mixed income projects and determine the potential residential yields from each of these;
- d) consolidate all the above information into a comprehensive Development Plan for the mining belt which also reflects the future regional open space system for the area, major activity nodes within and around the mining belt, the major residential precincts in the mining belt with an indication of the income and associated housing typology composition for each of these areas; the proposed movement network (including the proposed rail-loop) within the mining belt area and functional linkages with surrounding areas; and the functional linkage of engineering services with surrounding areas e.g. water service areas, sanitation catchment areas, stormwater drainage areas etc.;
- e) formulate an Implementation Programme (short, medium and long term) for the development of the mining belt and the associated process towards the acquisition/release of land for this purpose.

Based on the above Development Plan the City will be in a position to timeously identify the priority land parcels which it needs to acquire for future affordable housing, and to commence with negotiations in this regard.

This Development Plan will also identify opportunities for joint ventures/partnerships between the City and the major mining houses and other stakeholders in the mining belt.

North Eastern Consolidation and Infill Areas

Similar to the above, the North Eastern Consolidation and Infill Areas which broadly comprise the President Park, Austin View and Glen Austin agricultural holdings areas represent an enormous opportunity for large scale mixed income infill development (estimated 157,500 housing opportunities) within the Core Economic Triangle of the Gauteng City Region. Some of the major potential impacts on this area include:

- the future expansion of the Ivory Park-Tembisa complex from the south and east into this precinct;
- the westward expansion of the Midrand mixed use node into this area;
- increased development pressure as a result of development around the Midrand-Gautrain station.

The area consists of extensive agricultural holdings which will complicate development processes due to the large numbers of stakeholders (land owners) involved.

It is critically important that the redevelopment of this area, which will most likely span a period of 30 to 40 years, be pro-actively planned and managed in order to prevent it from eventually developing into a monotonous urban complex which lacks identity and character as a result of ad-hoc, incremental medium and higher density developments over an extended period of time. As noted in Table 22 of this report, this area represents a large scale opportunity to create “new towns in town”, but it needs to be planned in advance.

Another important focus of the Development Plan will be for Council to timeously identify the land parcels required to accommodate future affordable housing projects and community facilities in the area (amongst other to cater for the expansion of the Ivory Park-Tembisa complex), and to prepare itself for the incremental, phased expansion and upgrading of the engineering services in the area.

It is envisaged that the City will have to embark on an extensive land acquisition programme in this area before the increased development pressure and activity in the area lead to higher land values.

Who? City of Joburg Department of Development Planning, JPC, and Department of Human Settlement.

Challenges/Critical Factors: Mining companies represent the single major stakeholder in the mining belt. It is imperative that these companies be involved in the planning process from the outset as they have extensive vested interests in the mining belt area.

In the case of the North Eastern Consolidation and Infill Areas it will be important to also involve the Ekurhuleni Metropolitan Municipality in the planning process as part of a cross-border initiative in order to ensure proper alignment of land use planning and engineering infrastructure development proposals for the functional area as a whole.

Similar to what happened in Linbro Park, local stakeholders (land owners) may also insist that the area permanently retain its rural residential character and function within the broader urban environment which may be problematic during the consultation processes.

Timeframes: The plans will need to be phased and are dependent on availability of funding resources and capacity.

Operations/Capital Requirements: Each of the studies will require funding to the tune of about R1,5 million given the level of detail that needs to be achieved. The Gauteng Department of Housing could be approached to contribute towards the funding of these initiatives.

STRATEGIC INTERVENTION 2: IDENTIFYING AND SECURING PUBLIC OWNED LAND WITHIN STRATEGIC AREAS

Why Important? One of the stated objectives of the City of Joburg is to establish housing opportunities for the poor in all Strategic Areas in the City as identified in Phase 2. This principle was also incorporated into the Base Scenario for the Demand and Opportunities Model which allocated a low income component to all Strategic Areas in the City.

The Demand and Opportunities Model identified about 7529 hectares of developable land in the various Strategic Areas in the City, but at this stage it does not distinguish between public/council and private developable land due to limitations and inconsistencies in the existing data pertaining to council owned land in the City.

However, the availability of public owned land, and more specifically vacant public owned land, is a critical success factor towards the achievement of this objective. Public owned land parcels represent the most obvious opportunities for the CoJ to initiate small and/or large scale affordable housing initiatives amid existing middle and high income areas.

Without utilising strategically located public owned land, the desired targets and typologies with regards to low income housing within the existing urban fabric will not be realised. Over reliance on

privately owned land at market related prices will have an adverse impact on the financial viability of affordable housing projects in well located areas.

It is thus important that the City of Joburg acknowledge the strategic importance of all public owned land in the municipal area, and to retain and protect this valuable resource for future affordable housing purposes. The following Actions are proposed in this regard:

Action 2.1: Initiate New Typology Housing Projects on Identified Priority Council Owned Land

What? In section 5.1.3 of this report it was noted that the CoJ already identified about 140 portions of council owned land (± 680 hectares) within the Public Transport Priority Area of the City as part of the City's Land Strategy which was developed in 2008. These properties are currently managed by the Joburg Property Company and have been reserved/protected from alienation via a Council Resolution subject to feasibility studies being completed.

Pending the outcome of these feasibility studies, the City needs to identify all the land parcels suitable for residential development; prioritise these in terms of size, location etc; formulate development scenarios pertaining to preferred/appropriate typologies, tenure and yield for the priority sites; and initiate the first medium and higher density typology projects on these parcels. The projects can be initiated either as fully fledged public funded projects, or in the form of Calls for Proposals aimed at establishing public-private partnerships.

Who? CoJ Department of Development Planning, Human Settlement, Joburg Property Company.

Challenges/Critical Factors: Council has full control over these properties. The completion of feasibility studies on the land parcels will ensure that the priority sites are identified and that the initiative can advance to the next stages.

Timeframe: Short Term (within the next 12 months).

Operations/Capital Requirements: Apart from feasibility investigations, the planning for the roll-out of this initiative can be managed in-house between the three departments referred to above.

Action 2.2: Expand Existing Public Owned Land Database to all Strategic Areas

What? As highlighted under Action 2.1 above, the existing public/council owned land database of the CoJ is incomplete and comprises a number of inconsistencies in terms of data held. It furthermore only includes Council owned properties while land belonging to other spheres of government and parastatals which may hold significant potential is not captured in the system at present.

The City of Joburg thus needs to initiate a comprehensive public land audit to expand the existing database of the City and which is aimed at identifying all public owned land that could be utilised for the development of affordable housing in all Strategic Areas (and beyond) in the City.

As this initiative would deal with land owned by all three spheres of government (local, provincial and national) and large parastatals, it is proposed that it be approached as a joint venture between the City, the major stakeholder departments at provincial and national level e.g. Department of Public Works, Housing/Human Settlement, and relevant parastatals like Intersite, Eskom etc.

The primary objectives of such investigation should be as follows:

- Identify all properties in the City's area of jurisdiction that are registered in the name of government institutions – municipal, provincial and national as well as major parastatals and to capture this information into a GIS linked database;
- Record relevant ancillary information pertaining to each of the properties, including ownership, zoning, size, development status (vacant/developed), property value and location;
- Distinguish between vacant and developed public owned land located in the various Strategic Areas;
- Develop a range of criteria in order to prioritise the **vacant land parcels** in terms of development potential and more specifically suitability/capacity for residential development (or social amenities – refer to Action 3.1);
- Assess and prioritise all **developed public owned properties** with potential for residential redevelopment/ densification and determine potential residential yields from these;
- Calculate the potential residential yield from all the land parcels identified above in order to determine whether additional land will have to be acquired in order to meet housing targets for the respective Strategic Areas;
- Formulate a short-, medium- and long term **Land Development Strategy** for the priority land parcels identified under each of the four ownership categories (municipal, provincial, national, parastatals);
- Formulate a **Land Acquisition Strategy** in various Strategic Areas in order to address land deficits;
- Feed the results of this investigation through to the expanded City Joint Land Steering Committee for implementation (refer to Action 2.3).

It is recommended that the City place an embargo on the alienation of municipal owned land until the Vacant Land Audit is completed and the recommendations are approved by Council.

Who? City Department of Development Planning and Joburg Property Company in conjunction with joint venture partners/members of the Joint Land Steering Committee.

Challenges/Critical Factors: A Land Audit is a complex process and in this case it would require the buy-in and participation of a number of stakeholder departments at provincial and national level and parastatals.

It is essential that these stakeholders be involved in the formulation of the Terms of Reference to the investigation (by way of a Project Steering Committee) and that all parties be clear on the exact outcomes required from the project prior to the commencement thereof.

Timeframe: Short Term. **Duration of Project:** 12 Months.

Operations/Capital Requirements: Land Audit funding requirements estimated at R2,5 million to be shared between JV parties.

Action 2.3: Expansion of Joint Land Steering Committee to include other spheres of Government

What? The City already has an operational Joint Land Steering Committee which was established as part of the City's Land Strategy. This Joint Land Steering Committee involves all municipal departments and development agencies in the City which have an interest in Council owned land. However, as highlighted under Action 2.2 above, the long term objective of Council is to assess the development potential of not only Council owned land, but all government owned land in the City (including Municipal, Provincial, National and Parastatal land). The short, medium and long term priority land parcels for residential development to be identified from the Land Audit will thus most likely include land belonging to all these stakeholders.

It is therefore only logical that all these parties have to be represented on the Joint Land Steering Committee which should manage and facilitate the implementation of the Land Development Strategy which is to follow from the Land Audit.

In order to enhance the authority of the Joint Land Steering Committee and to ensure the continued and active participation of all members of the Committee it is recommended that Service Level Agreements/Memoranda of Understanding be signed between all parties involved.

Who? From the side of the City of Joburg the Joint Land Steering Committee should resort under the Office of the City Manager with the other major roleplayers being Development Planning, Joburg Property Company (JPC) and the Department of Human Settlement.

Challenges/Critical Factors: Experience has shown that it is difficult to obtain co-operation/alignment of development agendas of the different spheres of government. This situation is complicated even more by the increasing burdens being placed on parastatals (e.g. PRASA/Intersite) to be self-sufficient and therefore to put more emphasis on leveraging financial returns on their properties.

However, the only way to achieve the required level of alignment is for the parties involved to be brought together in a forum where they can present and discuss their respective views, and from where they can find common ground to start aligning their programmes over a prolonged period of time.

It is important to note that this initiative will not be successfully completed in one, two or five years. Instead, it should be approached as a continuous process which will guide, direct and inform the development of public owned land within the City of Joburg over the next few decades.

Timeframes:

- Formalisation of Expanded Joint Land Steering Committee: Short Term
- Operations of Expanded Joint Land Steering Committee: Continuous

Operations/Capital Requirements:

- Members of JLSC will all be public officials – no consulting fees required
- Comprehensive Land Audit will require capital funding: estimated amount of R2,5 million

Action 2.4: Establishment of a partnership with the Housing Development Agency

What? The CoJ identified the Housing Development Agency as an institution which may significantly support it in achieving its objective to promote the development of a wide variety of affordable housing typologies on strategically located land parcels within the identified Strategic Areas.

This is specifically relevant as the legislated functions of the Housing Development Agency (HAD) are as follow:

- Develop strategic plans with regard to the identification and acquisition of state, private and communally-owned land which is suitable for residential and community development;
- Identify, acquire, hold, develop and release state, privately and communal owned land for residential development;
- Contract with any organ of state for the purpose of acquiring available land for residential and community development for the creation of sustainable human settlement;
- Undertake such project management services as may be necessary, including assistance relating to approvals for housing development;
- Prepare necessary documentation for consideration and approval by the relevant authorities as may be required in terms of any other applicable law;
- Monitor progress of the development of land acquired for the purposes of creating sustainable human settlements;
- Enhance the capacity of organs of state including skills transfer to enable them to meet the demand for housing delivery;

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- Ensure that there is collaboration and intergovernmental and integrated alignment for housing development services.

The HDA can provide the above range of services to the City of Joburg by way of advice, guidance, development of support products and tools, placement of technical support, funding of project support, or the establishment of partnerships for the provision of support.

Who? Development Planning, JPC, Human Settlement.

Challenges/Key Issues: The HDA has been established to perform exactly the supporting role and function which the City requires both in terms of acquiring, managing and developing public owned land, and in enhancing the housing related capacity of the City in view of the City Housing Accreditation process which is currently underway.

Timeframes: Short Term.

Operations/Capital Requirements: No capital funding required.

STRATEGIC INTERVENTION 3: IDENTIFICATION AND IMPLEMENTATION OF STATE SPONSORED HOUSING PROJECTS

Why Important? Due to the enormous extent of state sponsored housing demand in the City (164,939 units in informal settlements and 320,652 backyard dwellings) it is important for government (and the City of Joburg) to continue with the upgrading and formalisation of informal settlements through the Upgrading of Informal Settlements Programme. These projects mostly comprise large scale RDP developments which almost exclusively consist of single detached dwellings.

The Sustainable Human Settlement Urbanisation Plan does acknowledge various types of accommodation in the City – not only informal settlement. However, there is a need to have a common understanding of the various forms/stages of formal and informal settlements. In this regard it is important for the City of Joburg to standardise/formalise the various types of informal settlement, backyard rental etc. and for all stakeholder departments to consistently use the same terminology when describing various forms of formal and informal settlement.

However, there is also a need to redirect funding to smaller scale infill developments in better locations within the urban fabric and which offer a wider range of affordable housing typologies at higher density. In the context of the City these projects will be mostly located in the Public Transport Priority Areas within Mixed Use Nodes, along BRT routes or around TOD stations.

The medium to long term vision within the City will be to do away with, or significantly limit the scale and extent of exclusive single RDP type developments, and to replace these with mixed typology, medium to higher density developments which, wherever possible, also comprise a range of mixed income typologies.

In the meantime, however, the City will have to follow a dual approach where it completes the existing, approved and far advanced large scale RDP projects, but simultaneously design and implement the first mixed typology projects (which is partly addressed under Action 2.1). Based on the above, the following Actions are proposed:

Action 3.1: Complete Existing State Sponsored RDP Housing Projects

What? The Short Term Housing Projects as illustrated on Maps 16 and 17 represent all the projects/project areas currently in process of development and which are deemed to be non-negotiable.

According to the Sustainable Human Settlement Plan recently compiled by the City's Department of Housing, these areas are earmarked to accommodate a total of about 120 000 low income housing units which almost exclusively comprise single RDP units.

However, the Base Scenario results indicated that an estimated 148 000 units could be accommodated on these land parcels if these areas were developed utilising a mixture of low, medium to higher density typologies (full ownership and rental).

As the project planning on most of these areas is already far advanced, the City could possibly do very little to influence the layout and housing typology composition of these projects. It would, however, be worthwhile for the City's Department of Development Planning and Department of Human Settlement to assess the latest development/layout plans for each of the areas and to identify opportunities to introduce mixed typology wherever possible.

Who? CoJ Development Planning and Human Settlement.

Timeframes:

- Assessment of Existing Plans: Before December 2012
- Completion of existing Short Term State Sponsored Housing Projects: 5 Years up to 2017.

Challenges/Critical Factors:

- Most of the planning processes may be so far advanced that these cannot be amended anymore. This initiative may, however, identify significant opportunity to influence the composition of some of the Short Term Housing Projects and is worth investigating.

Operations/Capital Funding: No capital funding required to conduct this in-house assessment.

Action 3.2: Initiate alternative housing typologies and delivery mechanisms

What? Up to now, there has been a differentiation between three different mechanisms of delivery processes for housing in the City of Johannesburg, namely:

- *in situ* formalization,

- subsidised housing (RDP)
- and social and rental housing.

As the City does not have the capacity to deliver housing at the scale required, it needs to create an enabling environment to support private/individual housing delivery over time.

Therefore, the SHSUP encourages a shift towards following two approaches to housing delivery on the road to a **transformative model**:

Status Quo of delivery:

- ✓ *in situ* formalization,
- ✓ subsidised housing (RDP)
- ✓ and social and rental housing.

SHSUP transformative model:

A. Through selected **housing** typologies

B. Through **non-housing** mechanisms, creating an enabling environment – the City should provide support to all households in all settlements to improve the value and performance of the quality of their housing

- Through selected **housing** typologies – the delivery of subsidised housing will continue to be an important component of the City’s urbanization plan and is used as **catalyst** for private delivery over time.
- Through **non-housing** mechanisms, creating an enabling environment – the City should provide support to all households in all settlements to improve the value and performance of the quality of their housing.

The City’s policies will also have to support the latter two approaches towards sustainable human settlement (SHS) themes.

A. HOUSING TYPOLOGIES AS CATALYST FOR DELIVERY (Refer to Annexure G)

Based on the case studies investigated for the SHSUP, a basket of **housing** typologies was developed to implement the SHS themes. The selection criteria for the range of typologies are unpacked in more detail in section 8.3.3.1 of this report.

These typologies were extracted from the case studies done for the SHSUP, most of them implemented in the low and medium categories with reasonable success either in Johannesburg or elsewhere in the country.

Formal housing delivery is seen as a catalyst for private sector investment in the delivery of housing over time through the following mechanisms which are imbedded in the series of typologies that the SHSUP should implement:

- Higher densities** are supported by the City in principle and:
 - Higher density applications should be given preference for approval if criteria are met as set out in the SDF Section 5.3 and as per the criteria for typologies as set out in this document (Annexure G).
 - The preferred new alternative housing typologies and associated increased densities should be incorporated into the Spatial Development Framework and Regional Spatial Development Frameworks of the City during the annual review process of these documents. These directives

should also be used as point of departure when detailed Local Spatial Development Frameworks or Precinct Plans are compiled for different parts of the City.

- Similarly, the alternative scenarios pertaining to housing typologies to be developed in future with the Housing Demand and Opportunities Model should be continuously tested with the relevant infrastructure functions in the City in order to ensure alignment with the programmes of these departments.
 - Efficient utilization of bulk infrastructure capacity needs to be reviewed annually to ensure no over loading of existing infrastructure and optimization of existing infrastructure.
 - Public Transport and additional traffic requirements may be needed over time to ensure safe and efficient traffic movements in and out of residential neighbourhoods.
 - The increase on the total number of people per residential area / neighbourhood will have a direct impact on amenities. As the number of rental stock increases, the upgrade / increase of social / educational / religious / recreational / retail facilities should be in line with the population increase.
 - Building higher density units towards inclusionary housing also means tapping into the density bonus on the supply side: The density bonus allows the developer who builds a certain percentage of affordable units to include a certain percentage of market-rate units in addition to what would otherwise be permitted under the zoning restrictions for particular areas. The developer is thus able to recoup the loss he or she takes by participating in the inclusionary program.
- 2. Creating opportunities for private funding:** Besides several non-housing mechanisms unpacked in the next section, it is proposed that in the formal housing delivery sector, opportunities towards backyard rental, granny flats, home improvement and extensions are supported and in some instances, created (such as the proposed “incremental typology”). The subsidy housing in the lower income sector becomes catalytic towards inducing private sector contribution as it allows for phased private expansion and rental possibilities with **rates incentives**. More housing stock supplied by the private market over time as a result of private expansion on the one hand and hopefully resale at affordable price on the other. Households that can afford to invest in meeting their own housing needs should be supported by the City by creating an **enabling environment** (see non-housing mechanisms) that encourages investment in housing through e.g. rates incentives, by-laws, rights for secondary dwellings etc. The City could develop a policy that supports more formalized **incremental growth**. Planning laws / by-laws need to be developed to ensure certain **minimum living standards / health and safety standards** are met in the development of “granny flats”, backyard rental typology and incremental typology.
- 3. Resale market:** Through formal **private expansion** to homes in the lower income category, products will come onto the market at a more affordable price to contribute to the **resale market**, especially in the gap income sector. A private investment need to be calculated as a capitalized

value proportional to the initial investment. Although it should be noted that national investment indicators (public sector spending) mask the effect of the capitalized value of such investments. For instance, a R20,000 investment to a R600,000 unit does not yield a new value of R620,000. Instead this investment need to be capitalized at an appropriate rate which may subsequently be equal to an improvement value of R130,000 on top of the original R600,000. In this way, products will become available to the gap market.

- 4. Affordable products and tax incentives:** Affordable current rates to a household earning R7,000 per month and that are not eligible for subsidies imply a house in the region of R25,000. Therefore, in theory, products in the typology series were also developed below R300,000 to support this income group and new housing products are proposed below this limit towards ownership in the gap market through the new NHFC/FLISP subsidy. Several **tax incentives** at scale have also recently been made available to developers of housing products below R300,000. Refer to the library of typologies and high level costs ascribed to the various income groups.
- 5. Alternative products:** To increase small scale rental stock, a typology is proposed that can easily be sub-divided internally with dry-walling to increase the amount of rental units based on demand. (Refer to Typology 5). Therefore, the City will have to develop a policy that supports sub-letting if specific criteria are met.
- 6. Public Funding mechanisms:** Currently 62% of units produced in the city are RDP subsidised compared to 24% rentals, the BEPP suggests that the ratio be 1:1 by 2015. The selection of typologies therefore tries to address this by assigning a higher ratio of affordable units suitable for the rental market, e.g. cluster typology, low rise flats, small scale rental walk ups and so on.

 - This means a higher demand on management of stock and a stronger reliance on the CRU, transitional and Institutional subsidies in lower income group delivery.
 - The selection of typologies will result in a departure of the traditional RDP-house and resultant funding mechanisms that will draw from the Project Linked Subsidy Programme through the USDG.
 - If successful, the new NHFC/FLISP subsidy will have a real impact on the housing delivery sector, even if only at scale initially.
 - Private delivery of additional backyard units, granny flats, secondary dwellings, extensions/incremental housing and improvement to property will continue through e.g. lower bonded/bonded mortgages, mortgage loans, micro loans, pension-backed loans and so forth – but note should be taken of the possibility to expand tapping into the institutional subsidy: **Landlords** offering accommodation to households earning less than R7,500 per month can apply for an institutional subsidy to support the capital costs of the accommodation, thereby decreasing the rental applicable. Therefore, typologies that support a secondary dwelling

towards rental tenure were developed and need to be supported, especially for typologies 1-4 and 9. (Refer to Annexure G).

7. Financing environmental sustainability

Two important aspects will contribute toward changing the availability of green financing in future:

- As mentioned elsewhere in this report, the National Building Regulations (NBR) have been updated to include Part X, which addresses environmental sustainability, and Part XA, which establishes requirements for energy efficiency in new buildings and came into effect on 10 November 2011. The energy efficiency legislation for new buildings SANS 10400-XA has been published by the regulator (NRCS). The Energy Efficiency building regulations will contribute to the drive to use electricity in a more sustainable manner, to encourage industrial development through sectoral support and ultimately to create more jobs. It will also contribute to South Africa's green industry and climate change mitigation initiatives. As mentioned in the *status quo* report, low income housing is exempted from compliance. However, compliance with SANS is eminently going to pass through the National Housing Code in the near future which means that National Treasury will have to reconsider the subsidy system. This will have an impact on the measures available to the City to implement green initiatives in the low and middle income categories. It will evidently have a major environmental impact, but will also have a huge effect towards job creation in future.
- In the meantime, to address the barrier towards the provision of "sustainable financing", a national **Sustainable Housing Facility (SHF)** is being proposed. The SHF concept is being championed by a Steering Group comprising the Departments of Minerals and Energy and Housing, the South African National Energy Research Institute (SANERI), the National Energy Efficiency Agency (NEEA), the National Housing Finance Corporation (NHFC) and the Development Bank of Southern Africa (DBSA). The SHF **vision** is to manage a revolving fund, which provides up-front capital to housing project developers to implement sustainable energy interventions, and then recoups this capital from the international carbon market and DSM in order to seed further projects. Initial modelling demonstrates that by tapping into both financing sources and a nominal contribution by home owners, the full costs of the interventions can be covered, thus providing low-income homeowners with not only access to the energy services of hot water and thermal comfort, but also improved health from better quality living environments. The SHF is designed to be self-sustaining, and could be implemented by a number of existing or new institutional vehicles in either the public or private sector.

With the above-mentioned imminent changes in mind, the following series of funding mechanisms should be tapped into to implement green initiatives. The City's Environment Department has come up with initiatives and programmes such as the Cosmo City Climate Proofing Programme, the Energy Efficiency Buildings Retrofit Programme, the Greenhouse Gas Data Web Interface and the Implementation of the BRT Clean Development Mechanism (CDM) project, to monitor gas emissions.

However, there remains a barrier towards the provision of sustainable financing, especially in the low income market. In line with such programmes, funding possibilities to realize environmental themes towards the SHS for housing delivery include the following series of mechanisms.

- The Eskom **Demand Side Management (DSM)** fund is available at large scale and could be explored as a potential funding mechanism. Financial support by means of capital subsidies such as demand side management (DSM), subsidies under the CEF Solar 500 project, and supplementary grants to the housing subsidy for low-income housing and others should support the implementation of green initiatives. Besides rebates, it is anticipated that the fund will provide a capital subsidy at a minimum of R2,000 per Solar Water Heating (SWH) system. The **Tradable Renewable Energy Certificate (TREC)** system for subsidising the capital cost of SWHs over a ten-year crediting period could potentially also be applied with a total up-front capex subsidy available from TREC of R4,000.
- Mechanisms for Solar Water Heating Financial Support include legislative, financial and awareness programmes. These should be complementary and ideally, they should be implemented together as a suite of support mechanisms for increased uptake of SWH systems.
- The **discretionary additional subsidy** of 15% applies in areas with abnormal geotechnical or topographical conditions and can potentially assist as delivery mechanism.
- Subsidies on the interest for loans in the higher income sector are a useful financial support mechanism. Typical examples include Green housing bonds (home loans) and preferential rates for lower risk customers at commercial banks.
- Tax or rates rebates are a very effective method of providing tax relief as a reward to liable tax payers who are adopting policies which need to be supported by national or local government.
- **Renewable Energy Finance and Subsidy Office (REFSO)** provides the management of renewable energy subsidies and offer advice to developers and other stakeholders on renewable energy finance and subsidies. This includes information on the size of awards, eligibility, procedural requirements, and opportunities for accessing finance from other sources. Submitting an expression of interest, as the first step in applying for a renewable energy subsidy, can be submitted throughout the year.
- The **Clean Development Mechanism (CDM)** is one of the flexibility mechanisms defined in the Kyoto Protocol (IPCC, 2007). CDM funding is available to SWH or PV systems for large (over 1,000 units) developments that have to comply with a series of criteria.
- CDM Incentives also include 'carbon finance'. The CDM incentivises projects which reduce greenhouse gas emissions by enabling these projects to generate emission reduction credits, or 'carbon credits'. Proceeds from the sale of carbon credits can assist in the financing of emission reduction projects in South Africa. There are a number of ways in which this revenue stream can be used in the project's financial structuring.
- A detailed feasibility study resulting in a business plan should precede the approval of all projects that support renewable energy.

B. NON-HOUSING MECHANISMS

As illustrated below in **Table 30** “The breadth of options upon which households may consider making an investment” (Rust, K: 2012), the national housing subsidy overlooks the opportunities to be found in a considerable number of housing delivery approaches. Highlighted in green are the housing delivery approaches that are explicitly noted in policy. (Also refer to more comprehensive discussion in Annexure H).

THE BREADTH OF OPTIONS UPON WHICH HOUSEHOLDS MIGHT CONSIDER MAKING AN INVESTMENT

	Subsidy market: households earning <R3500	FLISP market: households earning R3501-R15000	“Normal” market: households earning R15000+ using own savings + finance
<i>Loan affordability</i>	<i>Some have no affordability. Others, up to R100 000</i>	<i>Up to R424 000</i>	<i>More than R424 000</i>
New housing	Subsidy housing delivery for those with no affordability	Freehold and Sectional Title <R300k	Freehold and Sectional Title from R424k
Resale housing	Subsidy units after 8 years / Freehold and Sectional title <R100k	Subsidy units after 8 years / Freehold and Sectional Title <R424k	Freehold and Sectional Title from R424k
Extensions on existing property	Additional rooms / cottages / sub-division of property	Additional rooms / cottages / sub-division of property	Additional rooms / cottages / sub-division of property
Incremental housing on serviced stand	Serviced stands	Sub-division on property / Serviced stands	Sub-division on property
Institutional rental	Social housing	Condominiums / flats / high rises / social housing	Condominiums / flats / high rises
Small scale rental	Inner city or neighbourhood walk-ups	Inner city or neighbourhood walk-ups	Inner city or neighbourhood walk-ups
Backyard rental	Backyard dwellings	Garden cottages / backyard dwellings	Garden cottages
Informal renting	Informal settlements / staying with family / overcrowding	Informal settlements / staying with family / overcrowding	Staying with family / overcrowding

Table 30: As illustrated in the above table (Rust, K. : 2012), the national policy overlooks the opportunities to be found in a substantial number of housing delivery approaches. **Green** highlights housing delivery approaches that are explicitly noted in policy.

Within the subsidy eligible market, housing options that operate without the subsidy or even alongside some subsidy are not addressed in policy and not supported with an enabling environment. The subsidy instrument has the effect of crowding out individual or private sector investment. Practically it means that households earning less than R3,500 must wait for the City to deliver housing for them, even if they could afford to make some albeit limited investment to improve their housing situation in the meantime. (Rust, K)

Therefore, households that can afford to invest at scale in meeting their own housing needs should be supported by the City by creating an enabling environment. **Non-housing mechanisms** need to be put into place to create such an environment through home improvement, resale market, backyard rental etc. There are households who may earn less than R3,500 per month but who are ineligible for a housing subsidy for other reasons and should therefore be able to engage in an alternative housing process.

Therefore, it is suggested that the following actions should be considered by the City:

- A provision within the FLISP allows households earning between R3,500 – R7,000 to access a serviced site for free from the municipality instead of the subsidy amount. Households who access this subsidy do not need to also qualify for mortgage finance, which means that they could presumably access a microloan or pension-backed loan to finance an incremental housing process on their stand.
- The delivery of serviced stands for this purpose is a potentially important area for strategic intervention by the City.
- Services must be upgraded in existing formal settlements to support the delivery of the wide range of housing opportunities that might encourage investment by households.
- Road infrastructure should be improved, connecting settlements underserved by various social and economic resources to those well-served.
- Incentivising private sector investment in social and economic facilities – the creation of a commercial or industrial development zone.
- Zoning changes to incentivise residential sub-divisions and densification.
- Accelerated or otherwise supported plan approval processes for prioritised developments, residential or other which support the SHSUP.
- Facilitation of the resale market for example, city-sponsored conveyancing for properties below a certain value.
- Title deeds rectification and informal sale regularization programme for all government subsidised properties in the City.
- Sub-division of property should be enabled.

Challenges/Critical Factors: There are risks to the series of implications and actions required by the City for the implementation of both the housing and non-housing initiatives:

- **Scale:** The Millennium Development Goal commitment to eradicate the housing backlog by 2020 may be achieved, but due to simultaneous population growth informal settlements will remain part of the City for much longer.
- **Sustainability:** If problems of scale could be overcome, the budgetary capacity to meet the current backlog would be insufficient. According to Rust, the annual budgetary implication for targeted delivery is somewhere between R22,5 billion – R50 billion. Even if government were to

combine the housing and infrastructure subsidies together, and provide land for free, a budgetary shortfall would still exist.

- **Housing affordability:** While in theory housing products can be developed to accommodate the gap market, in reality no developer or bank will risk offering a house on the market similar to the RDP-type with a 20 year loan obligation. By simply extending eligibility for government funding to a larger proportion of the population, the fundamental issues arising from the housing subsidy scheme has not been addressed as highlighted in the “Basic Household Affordability Table” in section 8.3.3.1 of this report.
- **New Subsidy:** The NHFC/FLISP subsidy is currently only available in one pilot project per province, for the purchase of a new house costing less than R300,000 in an approved project. This subsidy can have a real impact on affordability, but it might not be at the scale potentially needed. Only one pilot project per Province will have access to this subsidy for now and therefore, the City should put forward the Nancefield high priority project for implementation of affordable stock.
- **Administrative systems:** Biggest risk to successful implementation of NHFC-subsidy is the complicated administrative systems necessary to facilitate the new housing development in the R300,000 market.
- **Infrastructure:** With the increase in densities, the efficient use of bulk infrastructure is crucial. Infrastructure capacity is often used as a reason to avoid densification. However, the efficient utilisation of existing and new services should be well researched, as the latent capacity is often under estimated.
- **Changes to subsidy scheme:** The financing of the national housing vision is currently being investigated by the *Financial and Fiscal Commission* (FFC) and it is likely that the subsidy system as we currently know it will change in favour of greater participation by other parties in addition to the State.
- It seems that **grants** for renewable energy projects are only available to projects less than R100 million and are capped at 20% of project capital cost. Grants are also made on a once-off basis and are only applicable to new projects.

Who? City’s Department of Human Settlement, City Planning

Timeframe: Medium – long term

Operations/Capital Requirements: To be determined.

Action 3.3: Support and implement pilot projects

What? Three different kinds of projects in order of priority are suggested for the SHSUP to implement. The first two could be done as a series of smaller interventions according to existing needs. The pilot project, however, should be one successfully implemented project that demonstrates

the success of the SHSUP approach to the urban environment. This initiative could be linked to Action 2.1 which is to initiate new typology housing projects on the identified priority Council owned properties located within the Priority Public Transport Area.

- **Infra-structuring and urban structuring:** Households with no affordability and who are in circumstances dangerous to their health and safety must be given first priority for State support. The City should complete the series of current urgent upgrade projects underway that addresses the needs in existing settlements. Infrastructure upgrade should be complemented with the structuring of public urban spaces. By simply providing services without developing enabling public urban environments will not assist the communities to develop into sustainable human settlements.

Through: Formalization and Regularization of Informal Settlements Programme.

- **Non-housing projects:** Households with some affordability should be addressed next: the City needs to facilitate them in meeting their own needs so they do not need to wait for the more lengthy subsidised housing delivery process. There needs to be a strategy to maximise household investment in their own housing to the extent that can be afforded – which could be through the non-housing mechanisms put forward in this document. For instance: Facilitation of the resale market for example, city-sponsored conveyancing for properties below a certain value or open space upgrades of parks in residential areas.

Through: NDPG programme for open space upgrades, FLISP subsidy for serviced stands.

- **Pilot Project: Nancefield**, a public transport, high priority area (TOD Station), was identified as a pilot project for the SHSUP. It is identified in the BEPP (p.74) as an area that should be restructured, with emerging nodal and economic opportunities around the station. Given the current commitments for other housing projects and the time required for detail design and approval of services and buildings, it is most likely that the project would be ready for implementation by 2013. The strategic importance of high density residential developments in terms of the City's development strategy is recognized and funding priority would be given - the Klipspruit mixed development in Nancefield is one of the high priority projects in this regard.

Through: the City with support from USDG and the NHFC/FLISP subsidy programme and possibly CDM funding.

Who? City's Department of Human Settlement, City Planning

Timeframe: Short to medium term

Operations/Capital Requirements: To be determined.

STRATEGIC INTERVENTION 4: EARMARK PUBLIC OWNED LAND TO ACCOMMODATE EXISTING SOCIAL FACILITIES BACKLOGS AND FUTURE DEMANDS

Why Important? The City of Joburg commissioned the development of a Social Facilities Accessibility Model which is scheduled to be completed by mid 2012. This is a City-wide project intended to determine current levels of access to community facilities in different parts of the City, and to identify the gaps where these exist. This will allow for a more targeted approach towards planning and investment for community facilities in the City with a larger term impact of improving the quality of life and physical and mental well-being of the public through improving the public environment.

As part of the Land Audit process discussed under Action 2.2 above, suitable public owned land should thus be identified and reserved to provide the required community facilities where gaps (current backlogs) have been identified from the Social Facilities Accessibility Model.

Similarly, in each of the Strategic Areas in the City where large scale residential development (high, middle and low income) is proposed/envisaged in the medium to longer term, provision will have to be made to accommodate the associated public amenities required (as indicated from the Demand and Opportunities Model) on suitably located public owned land.

It is thus important that not only the land required to accommodate the public housing projects be identified and earmarked via the Land Audit process (Action 2.2), but that state owned land also be set aside to accommodate the associated public amenities/community facilities.

Action 4.1: Determine Social Facilities required and earmark appropriate public owned land

What? The Social Facilities Accessibility Model results need to feed into the Land Audit process (Action 3.2) and by implication also become part of the agenda of the proposed expanded Joint Land Steering Committee of the City of Joburg in order to achieve the following:

- Identify suitably located public owned land that could be utilised to provide the necessary community facilities to address the existing gaps identified from the Social Facilities Accessibility Model. If no suitably located public owned land is available from the Land Audit results, a land acquisition process will have to be initiated to obtain the required land parcels.
- Based on the Housing Demand and Opportunities Model, determine the number of community facilities and associated land area required to serve the projected future demand in each of the Strategic Areas.
- From the Land Audit results, earmark and reserve sufficient, well-located/accessible public owned land parcels for future development of public amenities in these Strategic Areas.
- Incorporate these land parcels into the Land Acquisition Strategy for the City.

Action 4.2: Develop/Enhance the Multi Purpose Community Centre Concept

Because of the high capital and operational costs associated with the provision of community facilities in the city, it is proposed that the City initiate a process to further develop/enhance and promote the concept of a Multi Purpose Community Centre as the preferred model to provide community facilities in the City. Apart from the fact that it is more cost efficient to all spheres of government to consolidate a range of community facilities and services at central locations within the City in the form of Multi Purpose Community Centres, this concept also allows for the multi-use/sharing of facilities and services, and it enhances co-operation and alignment of social facilities programmes between the three spheres of government (note Action 4.3 below).

This concept is also in line with the current approach of the City to rather expand, upgrade and consolidate existing facilities than to provide new, dispersed facilities which will require substantial operational funding.

This initiative can be implemented as part of Action 4.3 as discussed below.

Action 4.3: Community Facilities Co-ordination and Alignment Committee

The Built Environment Performance Plan, 2012:94 of the City of Joburg states as follow: *“A key concern remains the provision of facilities by Provincial Departments – alignment and coordination is problematic as little information is shared and prioritisation decisions are made without consultation with the City”.*

In order to address this problem and to take responsibility for Actions 4.1 and 4.2 as discussed above, it is proposed that the City of Joburg take the initiative to establish a Community Facilities Co-ordination and Alignment Committee comprising representatives from all relevant stakeholder departments in all three spheres of government to deal with the following:

- Setting/confirming standards for social facilities in the City of Joburg;
- Developing an agreed model for the provision of social facilities in the form of a Multi Purpose Community Centre;
- Formulating a Joint Implementation Programme towards
 - a) addressing the existing gaps identified from the Social Facilities Accessibility Model, and
 - b) planning for the future social facilities required in the Strategic Areas based on results from the Housing Demand and Opportunities Model;

-
- Determine the extent of land required and optimum location to meet the demand, and to communicate this to the Joint Land Steering Committee in order to reserve the necessary public land.
 - Ensure that all future housing programmes in the City include the funding necessary to provide the community facilities required to serve the communities (in line with Demand and Opportunities Model).

Who? CoJ Development Planning, Human Settlement, Metro Police, Emergency Management Services, Health and Social Development.

Timeframes:

- Determination of existing community facility backlogs and future demand: Within 6 Months
- Identification of suitably located public land: Within 18 Months (only once Public Land Audit has been completed)
- Earmark and reserve suitably located public land for community facilities: Within 24 Months.
- Formulation of Joint Implementation Programme: Within 30 Months.

Operations/Capital Funding: Once the Social Facilities Accessibility Model and Housing Demand and Opportunities Model are operational, the work required as part of this Strategic Intervention can be done in-house by City of Joburg.

STRATEGIC INTERVENTION 5: FACILITATION OF SECONDARY ACCOMMODATION MARKETS

Why Important? The City of Johannesburg is currently not able to deliver the required rentable accommodation for low and middle income groups within the City. The current rate of delivery of formal rental programmes like the Social Housing Programme and the Community Residential Units Programme generate less than 15,000 units per annum which is not nearly sufficient to deal with the demand. Even if the rate of delivery of formal rental units was significantly increased, it would still not meet the total demand as a large percentage of the demand is from households earning less than R1,500 per month. These households cannot afford rentals associated with formal rental programmes and represent a niche in the housing market which informal rental currently fills.

It is thus recommended that the City of Joburg acknowledge the important contribution made by private households in providing affordable rental stock to the market and to promote the development of small scale rental to cater for both the low and the middle income markets in the City. This principle is supported by an input made by the Project Advisory Team titled: "Informal Backyard Rental Accommodation: A Summary of Issues and Policy Emanating from Certain Previous Research" (Carey 2012) which is included in **Annexure K**.

This can be done by way of the following two initiatives:

-
- Rateable Property Affordable Rental Programme
 - Informal Backyard Enablement Programme

These two programmes are discussed in greater detail in the sections below.

Action 5.1: Rateable Property Affordable Rental Programme (RPARP)

What? The main objective of this initiative would be to secure increased numbers of rental units within the suburbs that are currently supporting the rates base of the City, and which remain unaffordable for many of the lower-income, employed citizens.

Apart from increasing the rental stock of the City for the middle income market, the development of these rental units (“granny flats”) in middle and high income residential areas in the City will also increase the rateable property taxes to the City, and contribute towards residential densification throughout the City.

The granny-flat is also an important mechanism in particular for middle income households to supplement their income as taxation and debt burdens has significantly reduced the disposable income of the middle income market in recent years.

It is thus recommended that the City initiate a programme/policy to promote the development of increased numbers of affordable small scale rental units in the City. The following interventions are proposed to be implemented as part of this initiative:

- Temporary or permanent City rates holiday on newly established/registered rental unit(s);
- Waiving of building plan costs for such units;
- Contemplation of relaxed development controls re: zoning/density to support additions in primary targeted areas (e.g. SHSUP Regeneration Areas).

As far as the implementation of this programme is concerned, the City can either initiate it in a specific targeted area as a pilot project, or as a city-wide initiative. If the area specific approach is to be followed, the most appropriate areas would be those that are currently prone to redevelopment. The Southern Redevelopment Strategic Area seems to be the most logical area in this regard for the following reasons:

- It was identified as the Redevelopment Strategic Area (for a number of reasons) during phase 3 of this project.
- It represents a predominant middle-income community where households are generally in need to supplement their incomes.

-
- City Planning officials responsible for Region F reported extensive small scale rental activity (formal and informal) in this area.

Who? City of Joburg Department of Development Planning

Challenges / Critical Factors: The main challenge at this stage would be to decide whether this programme should be initiated for the City as a whole, a selected number of Strategic Areas, or a specific priority area in the City (as a pilot project).

Another possible constraint to the implementation of the programme for the City as a whole may be the institutional capacity of the City to collect the income associated with the increased number of rateable properties.

Timeframe: Short term

Operations / Capital Requirements: Policy can be formulated in-house.

Action 5.2: Informal Backyard Enablement Programme (IBEP)

What? Informal backyard rental represents a fundamental component of the housing market in the City of Joburg with an estimated 320,000 informal backyard dwellings located within the City. It mainly serves the entry level rental market for the low income group (households generally paying less than R200/month for rent) (Watson, 2009:6).

The main objective of this Action would be to secure a habitable and safe community environment that builds on the current socio-economic dynamics of the backyard rental model in the former township areas of the City of Joburg.

This includes Ivory Park, Soweto, Diepsloot, Alexandra and several other smaller formal areas that have a high percentage of informal backyard accommodation associated with the formal (often State-sponsored) housing typologies.

As the current financing mechanisms and funding schemes cannot provide adequate shelter at the same levels of affordability and at the scale required, it is important that the City of Joburg accept/acknowledge informal rental as a fundamental permanent feature in certain parts of the City, and put in place mechanisms to facilitate this process in a sustainable manner.

What is required is not an over-complicated support or control strategy from the side of the CoJ, but rather a facilitatory approach to manage, guide and direct what is already happening in these areas. This facilitatory approach should thus be limited to encouraging these communities to address a few key issues linked to safety, health, and public services (community facilities and engineering services).

“The only justifiable objective for intervention in the informal rental sector is to remove the major blockages to the supply of rental accommodation which can provide basic levels of shelter and is affordable by the poorest households” (Watson, 2009:21).

Two distinct approaches are suggested:

i) Existing Backyard Rental Areas

In existing backyard rental areas the rental sector is generally well-established and stable. Intervention by way of regulation and control in these townships and informal settlements thus need to be very limited and should mainly focus on:

- Safety interventions to prevent fires by way of concrete walls on erf boundaries;
- Upgrading engineering infrastructure and increasing community facilities and services in these areas to enhance the sustainability thereof;
- Promoting availability of micro finance to upgrade rental units;
- Making available standard lease agreements and legal mechanisms to deal with disputes;
- Opening up new rental opportunities in well located areas to promote de-densification in existing areas;
- Control the number of informal rental units per erf by way of a permit system.

ii) New Residential Areas

In terms of new residential developments, development plans need to reflect the reality of informal backyard rentals in the layout designs (make provision for incremental developments) and in the provision of bulk infrastructure (original designs of bulk infrastructure need to anticipate the additional informal rental units to be erected. In some instances the layouts and typologies make provision for formal backyard rental units, e.g. housing typologies 1 - 4 and 9 as discussed in Annexure G. This initiative, however, deals with cases where the typology and subsidy scheme do not make provision for rental units, but it is anticipated that future owners will erect informal rental structures.

In these new residential areas the approach should be to open up opportunities for informal rental, but making the take-up of these opportunities conditional to adhering to some minimum enforceable standards which will have no significant effect on the rental costs. The following strategies should be considered:

- Make available a variety of erf sizes aimed at accommodating rented units on the larger plots.
- Design and install services and infrastructure assuming that densification by way of backyard rental will take place in future – location of connection points can also guide positioning of informal dwellings.

-
- Placing formal housing units in ways which allow optimum utilisation of remainder of erf later on for backyard dwellings.
 - Make the take-up of these opportunities subject to adhering to some minimum standards.
 - Promoting availability of micro finance to upgrade rental units (utilising the TARC – see Action 5.3).
 - Making available standard lease agreements and legal mechanisms to deal with disputes (utilising the TARC).
 - Allocation of land parcels to groups of households on a leasehold basis, upgradeable to full tenure later on (to be researched in greater detail before implementation).

The City needs to consider how the informal rental model can be officially acknowledged and how it can contribute to the City rates base in the medium to long term.

As far as controlling the numbers/density is concerned, the first two/three additional shacks could be “free” and require only a permit issued by the City. Additional shacks could require a permit and incur a nominal rateability payable to the City.

Who? City of Joburg Department of Development Planning and Department of Housing.

Challenges / Critical Factors: The cultural and socio-economic dynamics relevant to the informal rental market varies from area to area in the City. The City should thus be careful not to implement a rigid one-size-fits-all approach to all informal rental areas in the City. Different communities may require different approaches.

If measures are put in place which would require the City to properly police/monitor the implementation thereof, the City has to ensure that it has the resources available.

Timeframe: Medium to longer term

Action 5.3: Establishment of Technical Advisory Resource Service Centre (TARSC)

Why Important? To ensure the integrated management of the sub-programmes towards SHS, capacity of the City needs to be increased to include a Technical Advisory Resource Centre (TARC).

What? The Technical Advisory Resource Centre (TARC) would be a multi-departmental, integrated resource accessible and dedicated to low income areas to provide local communities with technical support in terms of planning, design, building and upgrade of housing units as well as finance and legal advice.

It will involve co-ordination between:

- All three spheres of Government

-
- Government agencies, parastatals, NGO's
 - Volunteers, sponsorships, donors, academic institutions and the private sector

The following list of functions will be central to the functioning of the TARC:

- Determine relevant norms and standards in terms of building materials, design aspects, health and safety, and affordability.
- Determine the appropriate institutional framework for the implementation of the TARSC.
- Dissemination of information and capacity building in terms of policies, programmes and projects
- Acting as Primary Implementing Agent towards Monitoring and Feedback Cycles;
- Provision of support towards financing access;
- Follow up on administrative systems towards successful implementation of projects;
- Provision of environmental input;
- Ensuring integrated provision of engineering and social services;
- Management of community participation through local settlement forums or "comment box" type arrangement with KPI's enforcing response times;
- Promotion of public-private-civil society partnerships;
- Monitoring of successes and failures.

Challenges/Critical Factors: Risks towards the functioning of the TARC could include:

- Inter-departmental buy-in;
- Institutional acceptance;
- Equitable distribution of centres;
- Funding.

Who? One of the Sustainable Services Cluster's (SSC) outputs is 'sustainable human settlements'. The Sustainable Services Cluster (SSC) could utilise the TARC as an integrated interface with their local community to monitor sustainability and integrate the diverse programmes of the Council.

The TARC should act as a platform for university students, government agencies, parastatals, NGO's, volunteers, sponsorships, donors and the private sector. In terms of the institutional arrangements of the City, the TARC should support the lead Departments dealing with the built environment to ensure a better performing and more sustainable built environment. The most important organisational change by the new municipal administration is to structure the departments and municipal entities into four clusters:

- Human and social development;
- Sustainable services;
- Economic growth;

-
- Good governance.

Timeframe: 2012/13 Formulate norms and standards; medium –term develop and implement institutional framework.

Operations/Capital Requirements: To be determined. Contingency on availability of resources and capacity.

STRATEGIC INTERVENTION 6: INCENTIVES TO ENHANCE PRIVATE SECTOR INVOLVEMENT

Action 6.1: Promote Current Development Incentives to Stakeholders

Why Important? In the context of anticipated growth it is clear that government alone will never be able to address future housing needs – the private sector as development partner should be mobilised in a positive and constructive manner to assist with housing role out.

Forceful mechanisms which are insensitive to profitability dynamics and project cost realities will yield little results. Instead, mechanisms need to be creative, facilitative and flexible, focusing on equitable contributions as opposed to one sided expectations handed down to the private sector.

Market studies revealed that inclusionary / mixed use typology schemes become feasible at thresholds of 4000+ units – it is only at this scale that effective cross-subsidisation can be effected. In addition to the above, cheap land is a pre-requisite. These obstacles can only be overcome by proper and well thought through incentives.

The City has previously considered a range of incentives and has implemented a number of them since the inception of the Growth Management Strategy. However, it is questionable whether these incentives have been effective or successful in attracting investment/participation from the private sector and in achieving their desired outcomes.

What? A number of incentives and subsidies as incentives are available to the private sector as summarised in **Table 31**. These include development incentives available (and currently under investigation) by the City of Johannesburg, inclusionary housing incentives, best practice international inclusionary housing incentives, subsidies as incentives, additional grants / funding mechanisms, and environmental subsidies (green funding) to attract private sector developers. (Also refer to Action 2.2 of this report).

Annexure L comprises a summary overview of these incentives.

The implementation of incentives requires a strategy which is underpinned by the following key actions:

- The selection of a “champion” Directorate assigned with responsibility of marketing the incentives on behalf of the City;

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- The allocation of an innovative “basket of incentives” per strategic area – an appropriate grouping of incentives could reinforce and also create a more significant impact than applying a single incentive in different locations;’
 - The use of incentives to create and add value to council/state-owned land;
 - The capacitation of the institutional structure (Directorate) mandated to market and implement the basket of incentives – it is important that this unit is sufficiently staffed in terms of human resources and appropriate skills, and has a good understanding of the economy and financial and property markets in order to be able to facilitate discussions with the private sector.

Table 31: Summary of Incentives available to the private sector

CoJ Incentives (Growth and Development Strategy)	Inclusionary Housing Incentives	<i>International Best Practice Inclusionary Housing Incentives</i>	Housing Subsidies as Incentives	Additional Housings Grants / Funding Mechanisms	Environmental Incentives / Subsidies
<ul style="list-style-type: none"> • Tax Increment Financing (TIF) • Planning Gain • Rights Bonuses • Fast Tracking of land Development Applications and Waiver of Development Application and Building Plan Fee • Special Rating Districts 	<ul style="list-style-type: none"> • Tax credit schemes • Fee-up of state land • Fast-track of development processes • Town planning compliant component incentives • Density bonuses / allowances • Use right incentives • Provision of bulk and link infrastructure • A wide range of government subsidies 	<ul style="list-style-type: none"> • <i>Tax incentives for the construction of affordable housing (US)</i> • <i>VAT reduction on renovation of affordable housing (UK)</i> • <i>Provide affordable housing on non-residential land (London)</i> • <i>Density bonuses (US)</i> • <i>Decreasing administration costs, regulations and processing times (land use planning processes) (Malaysia and Canada)</i> • <i>Direct subsidies</i> • <i>Land grants (Malaysia)</i> 	<ul style="list-style-type: none"> • Finance Linked Individual Subsidy • Consolidation Subsidy • Institutional Subsidy • People's Housing Process Establishment Grants • Rural Subsidy • Project Linked Subsidy • New: Finance Linked Individual Subsidy Programme (FLISP) 	<ul style="list-style-type: none"> • Social Housing Regulatory Authority (SHRA) Restructuring Capital Grant • Restructuring Capital Grant (RCG) Quantum • Community Residential Units Programme • The National Housing Finance Corporation (NHFC) 	<ul style="list-style-type: none"> • The Eskom Demand Side Management (DSM) fund • The Tradable Renewable Energy Certificate (TREC) system • Mechanisms for Solar Water Heating Financial Support • Discretionary additional subsidy • Green housing bonds (home loans) • Tax or rates rebates • Renewable Energy Finance and Subsidy Office (REFSO) • The Clean Development Mechanism (CDM)

Who? The City of Joburg Department of Development Planning and Department of Human Settlement.

Challenges / Critical Factors:

- Many of these incentives can only be affected (i.e. made sufficiently attractive) if made available by National Treasury or the Department of Trade and Industry – for instance VAT rebates.
- The impact on market values and take-up rates need to be assessed.
- In addition to the above, socio-cultural preferences regarding mixed income developments need to be analysed in detail.
- Little or no information / records regarding the actual usage, outcome and sustainability of incentives / subsidies are available.
- In terms of evaluation and monitoring proper record of incentive / subsidy for housing developments need to be kept.

Timeframe: Medium to longer term

Operations / Capital Requirements: In-house.

STRATEGIC INTERVENTION 7: CREATE APPROPRIATE INSTITUTIONAL MODEL TO IMPLEMENT SHSUP

Why Important? The City's Growth and Development Strategy defines the role of institutional arrangements as follows: *"The establishment of structures, systems, policies and processes – underpinned by a sound set of values and ethics – is fundamental for successful delivery by local government"*.

The GDS favours three avenues to build a network of governance arrangements:

- Facilitation of meaningful stakeholder/citizens collaboration, participation and engagement,
- Cooperative governance across the spheres of government, and
- Support and improve oversight within the City – driving delivery and being service orientated.

The City therefore has an important facilitative role to play in encouraging and supporting the SHSUP. The role of the City should be to assist positively in the creation of an enabling environment for the SHSUP at a local level. In certain instances an institutional re-alignment and expansion will have to be effected to implement some of the SHSUP projects / initiatives.

Broadly, the **role** of the City in terms of the promotion and implementation of the SHSUP would involve the following:

- The City will have to carry out area based planning to inform the IDP and SDF of the SHSUP findings and to incorporate the SHSUP projects / initiatives where appropriate;
- Ensure that the IDP and funding frameworks accommodate housing demands as identified by the SHSUP;

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- Facilitate land availability to support the SHSUP, including providing land purchase funding for communities or donating municipal land for projects / initiatives where possible;
 - Provide bulk services and infrastructure for the projects / initiatives where possible;
 - Provide town planning services and township establishment funding (including the undertaking of Environmental Impact assessments (EIA's) and rezoning.
 - The City must provide for, and fund additional facilities and amenities required by the communities as identified by the SHSUP.
 - Market Council owned land for private investment.

Action 7.1: Short-Term SHSUP Co-ordination Institutional Arrangements

What? The City has already put in place an institutional model which clusters appropriate/supporting departments together to align to the Key Flagship programmes and projects as per the City's Growth and Development Strategy and Integrated Development Plan.

The main objective of this initiative is to formalise working relations between City departments and municipal entities by creating an appropriate institutional platform which will improve service delivery, break down the silo-barriers to cooperation, and lead to stakeholders working together more effectively and efficiently.

The formalisation of these arrangements is a significant consolidation of some practices that already occur, but it comes shortly after the GDS 2040 process, and the political and administrative will to do so is very strong.

The most important organisational change by the new municipal administration is the structuring of the departments and municipal entities in the following four clusters:

1. Human and social development
2. Sustainable services
3. Economic growth
4. Good governance

This is the first time that the cluster format has been used across all its activities in the SDBIP process. The Sustainable Services Cluster is by far the largest of the four clusters with ten IDP sub-programmes and over 150 projects. It also manages 90,1% of the City's capital expenditure.

The following functions have been brought together in the Sustainable Services Cluster:

- a) Planning, policy development, standard setting, monitoring and benchmarking;
- b) Infrastructure provision, such as water and energy;
- c) Mobility infrastructure, services, roads and transportation, behavioural change;

- d) Development Management; and
- e) Environmental Management.

The functional responsibilities for members of the Sustainable Services Cluster are summarised in **Table 32** below:

Table 32: Functional Responsibilities of the Sustainable Services Cluster

Liveable Cities
<ul style="list-style-type: none"> • Development Planning Department • Housing Department • Johannesburg Development Agency • Johannesburg Social Housing Company
Transportation
<ul style="list-style-type: none"> • Transportation Department • Johannesburg Roads Agency • Johannesburg Metropolitan Bus Services
Resource Sustainability
<ul style="list-style-type: none"> • Environment, Infrastructure and Services • Johannesburg City Power • Johannesburg Water • Pikitup Johannesburg

From the above it is evident that the Sustainable Services Cluster should hold the primary responsibility for the implementation of the Sustainable Human Settlement Urbanisation Plan as it comprises a comprehensive range of functions and responsibilities. It should, however, also be noted that two key stakeholders do not form part of this Cluster: Community Development responsible for social development and the provision of community facilities, and the Joburg Property Company which is responsible for the management of all Council owned land. These two institutions will have to be involved in the activities of the Sustainable Services Cluster – even if it is on an ad hoc basis to ensure that all matters pertaining to the Sustainable Human Settlement Urbanisation Plan are properly addressed.

Who? City Sustainable Services Cluster, JPC, Community Development, National Treasury, National Housing, Provincial Housing.

Challenges / Critical Factors: In order for the City to implement/facilitate the above mentioned function (in terms of creating an enabling platform for the SHSUP), institutional expansion and capacity building is needed.

Timeframe: Short term

Operations / Capital Requirements: To be determined once institutional structure is created.

Action 7.2: Assess Capacity and Institutional Arrangements of Delivery Agents

What? The housing delivery agencies develop and manage most of the social and entry level rental housing developments in the City. In order for the delivery agencies to increase the envisaged social housing delivery from the current 3000 units per annum to approximately 6000 units per annum, the existing capacity of these agencies will have to be significantly enhanced. The respective housing agencies will thus have to review their development outputs and adjust their associated development capacity accordingly to be in line with the envisaged Built Environment Performance Plan targets in terms of rental stock. The City will also have to amend/renew its current contracts with the respective Social Housing Institutions in order to ensure that these make provision for the increased number, alternative typologies, and lower income groups.

Who? The City of Joburg Development and Planning, Department of Human Settlements, Housing Agencies (JOSHCO, JHC, Afhco Group est.) and the private sector.

Challenges / Critical Factors: The establishment of appropriate linkages and relationships between national and provincial/local government, and statutory and parastatal corporate institutions in order to achieve maximum efficiency may pose some challenges. Current institutional arrangements for housing within government and in the parastatal sector is still fragmented, inconsistently funded and is characterised by a lack of clear role definition and defined lines of accountability. In addition to alignment and accountability constraints, the increase in capacity of the housing delivery agencies will have an influence on the housing agencies budgets, number of staff, and operational costs.

Timeframe: Medium to longer term

Operations / Capital Requirements: To be determined.

Action 7.3: Re-direct and channel flow of financial resources (via accreditation and public / private partnerships)

What? Accreditation will allow the City to take control of decision making towards accessing National Government funding/housing subsidy schemes as referred to under Action 6.1 (see Annexure L).

An approach to redirecting housing finance systems to support the SHSUP should be based on three broad considerations:

1. Calculating resources
2. Establishing current housing situation and levels of housing/human settlements deprivations
3. Bringing household affordability and housing delivery approaches together into sustainable human settlements urbanization plan

The CoJ must first consider the resources available to the City to meet housing needs. This calculation should include:

Public resources: These include the current national housing subsidy, FLISP subsidy (at the moment one pilot project per province), MIG, and other capital resources the city may access from the National or Provincial Government through its Equitable Share allocation, or from its own revenue stream that it may wish or be able to invest in housing. There are also development finance institutions that address the finance needs of the land and infrastructure components in the housing delivery chain: the Housing Development Agency (HDA) and the Development Bank of Southern Africa (DBSA). In support of rental housing, the Social Housing Regulatory Authority manages the flow of social housing subsidies.

Private resources: These derive from the amount that a household can save from their monthly income and apply either towards rental or loan repayments, and/or towards savings. Households access these resources from lenders – banks and non-bank institutions – as well as formally through savings at home. National housing policy has two facilitative institutions that support existence of housing microloans:

- the National Housing Finance Corporation and
- the Rural Housing Loan Fund.

The housing backlog in the City is greater than the City's capacity to finance it – and so, policy at the local level should seek to encourage the financial participation of a wider array of players. This includes greater investment by households in meeting their own housing needs. The City should support this by creating an enabling environment that encourages investment in housing. (Rust, K.)

Who? City of Joburg Department of Human Settlement, Development Planning, Finance and Corporate and Shared Services

Timeframe: Continuous

Operations/Capital Requirements: In-house

STRATEGIC INTERVENTION 8: ECONOMIC DEVELOPMENT AND FORECASTING

Action 8.1: Formal economic sector assessment and projections Why Important?

The role and importance of economic development as a vital component and contributor to Sustainable Human Settlements should not be underplayed. Many public housing developments within the City lacked a significant economic development component within the City and left

development of economic nodes entirely to the private sector. This has contributed to the sustainable nature of many existing large scale mono-use public housing developments. It is therefore critical that the City develops a strategy around facilitating formal economic growth and job creation. To do so, this Strategic Intervention would require a clear indication of current state of the City's economy; an assessment of the economic sectors that the City is targeting for future growth and the requisite space and infrastructure requirements of these growth sectors. A particular emphasis will need to be in relation to the development of the SMMEs within the City. The identification of strategic land for economic development, along with a land value capture strategy and package/ menu of incentives will need to be formulated by the key role players. This will ensure that particular sectors are focussed on, that sufficient land is provided for current expansion and future growth and that bulk infrastructure is used to incentivise investors and developers; reduce the risk and provide certainty to the market in terms of prime locations for investment.

Who? Department of Economic Development, Development Planning (include. CIMS). Finance and Budget Office, Joburg Property Company and Environment Infrastructure Services Department

Timeframes: Short term- Economic Assessment based on existing data and where necessary via new data sets. Medium and Long Term: Key areas should be identified and phased in terms of medium and long term. The role and identity of these areas could be determined as part of future SDF review processes and specific interventions required towards getting the areas ready and showcasing as pilot projects should be undertaken under the **Key IDP Project and Sub Programmes** – EMT Priority: Investment attraction, retention and expansion.

Operations/Capital Funding: The budget will need to be determined once the areas are identified and actual intervention actions are detailed and costed.

Action 8.2: Informal Sector Assessment and Projections

Why Important?

In the same way that the SHSUP demonstrates the need to acknowledge the role of the backyard shack and the significant contribution it makes to the provision of affordable accommodation within the City, likewise the informal economy provides an income for a significant portion of the City's residents, providing that opportunity in instances where the formal job market is unable to do so. Like the Formal Sector Assessment, the City must consider the spatial needs and infrastructure requirements of the Informal Sector and develop a clear approach Citywide to the management of the places, spaces and contributions (i.e. medium-long –term contribution to the GDP of the City).

The shift and uptake of the informal market to climate change has been phenomenal when compared to the formal economic markets' response. The impact of climate change has resulted in escalated costs for food, resource fuels as well as the need for alternative responses to deal with waste and transportation costs.

Whilst the formal economic sector continues to focus on mass production and consumption, the informal sector has provided incomes with its response to:

- small scale growth and sale of foods such as vegetables and fruits with minimal packaging lowers the sale price and is more affordable for the lower income market with additional advantages of decreased waste due to less packaging;*
- alternative fuels and renewable energy sources require further investigation but may allow for small scale production and thus sold at cheaper prices than large scale formal producers within lower income communities;*
- many low income communities make use of animals such as horses and donkeys as well as non-motorised transport which do not require the use of fuels and significantly lower the carbon footprint. Job creation spin off in terms of animal health and welfare support services and production and maintenance of bicycles and other transport modes*
- the disposal of waste, in particular, packaging from plastics and paper-based products has provided a much needed service in terms of recycling at source. People who undertake this daily activity have been coined “trolley pushers”. Trolley pushers have necessitated a need for the City to look at the location and facilitation of setting up of recycling centres including the retrieval and payment processes for recycled waste. The provision of non-motorised transport networks is another requirement to ensure the safety of both trolley pushers and motorists as many trolley pushers use the current motorways.*

Who? Department of Economic Development, Metro Trading Company, Development Planning, PikitUp, Joburg Property Company, , Transport and Joburg Roads Agency, Environment Infrastructure and Services Department, NGOs and private organisations dealing with animal welfare

Timeframes: Short-term: Economic Assessments based on existing data and where necessary via new data sets. Medium-Long Term: Planning for land and space within the City for recycle centres may be a more long term based project, short-medium term interventions could include planning dedicated NMT routes for trolley pushers; facilitating and initiating start-up businesses for animal support services of production and maintenance facilities for NMT transport modes as well as light and cell phone charging services etc.

Operations/Capital Funding: Further research is required to determine sites and required resources as well as budgets for support services.

Action 8.3: Financial Sustainability and Rates Approach – short/ medium/ long term

Why Important?

The provision of bulk infrastructure as well as supporting social services and facilities has become increasingly costly for the City. The extent of the problem has resulted in backlogs in terms of the

provision of services to many existing settlements compromising their sustainability or the need to negotiate with developers to provide or upgrade infrastructure where developers want projects to take place. This is particularly the case for settlements on or close to the periphery of the City. This approach compromises the feasibility of projects for developers limiting their ability to provide a mix or variety of uses, heights and typologies; whilst, infrastructure backlogs caught up and implemented still further burden the City with cyclical maintenance costs into the future. The financial sustainability of the City requires a cost recovery strategy to ensure that services and infrastructure can be provided in future and that people take ownership and value these services, especially in light of the City's strategy to curb further resource usage and demand including future downscaling on resource use. All households including informal and backyards will need to be charged for the services they use.

Who? Rates/ Finance Department, Environment Infrastructure and Services Department, Finance and Budget Office

Timeframes: Medium to long Term. In the short term the City will need to develop a financially sustainable plan with supporting CAPEX, which sets out a process to identify informal structures and households and capture this information on the billing system as well as a collection process to recover and keep track of costs on services in areas. Innovative ways to encourage communities to pay rates/ services should be investigated – communities who pay should see the spatial improvements within their own communities.

Operations/Capital Funding: This will need to be determined once a Rates Recovery Plan is formulated.

Action 8.4: Impacts on Affordability of Services and Transport Networks

Why Important?

The impact of climate change and the global financial crises has meant that the City will need to supplement and find alternative ways to fund its obligations to provide infrastructure and services to the public, in particular the poor. The rise in costs for resources across the board has resulted in the City needing to change its development approach in terms of capital and operational expenditure. Whilst intervention 8.3 calls for consumers of services to pay for their usage, the current intervention intends to strike a balance between payment and affordability. Any form of accommodation will not be sustainable if the costs of services increase indefinitely. Although Job creation strategies are required and noted earlier on in the report as being a key contribution to the success and sustainability of human settlements, the cost of services is equally important. It is hoped that changes in behaviour firstly, in terms of actually paying for services combined with decreasing the demand and ultimate consumption of services should create a balance in terms of reducing costs over the long term. Where the City invests in public transport networks and the choice of modes will not only open up areas for development from an urban form standpoint but also allow for affordability through choice. It is

important that the determination of rates charges, tariffs and other taxes are not done in isolation of further research on who the target market is and what their levels of affordability are.

Who? Rates, Finance and Budget Office, Department of Economic Development, Development Planning, Community Development, Joburg Water, JRA and Transport, City Power

Timeframes: Medium and Long Term.

Operations/Capital Funding: Identifying the level of research required will determine the required budget.

STRATEGIC INTERVENTION 9: MANAGEMENT OF CITY SPACES AND PLACES

Action 9.1: Initiate Strategic response to Land Invasions

Why Important?

Land is becoming an increasingly important resource to the City. Most well located vacant land within the City is compromised by environmental constraints which pose either immediate or future threats for possible development or settlement; whilst the land left that is not constrained is needed for economic development, human settlement or infrastructure provision. Land is one of the key incentives that the City is able to use to promote such development and needs to protect and guard such land parcels very carefully. Past trends where land invasions have resulted in the need to either house communities in situ or due to legal obligation find safe alternative accommodation for land invaders has cost the City in terms of money and resources and further necessitated the formulation of a land invasion policy.

Who? Joburg Property Company, Human Settlement, Development Planning Legal, Urban Management, ,

Timeframes: Short – Medium Term.

Operations/Capital Funding: The funding requirements will need to be defined once the institutional arrangements for the monitoring of land and functions of the various role players are determined.

Action 9.2: Management of decaying/ Decayed Areas

Why Important?

Brownfields areas, in particular, those with sufficient infrastructure capacity but in some form of decay or underutilisation have a large role to play in terms of infill opportunities for development. Another concern relates to the City making large investments in terms of revitalising areas and not being able to maintain these areas after project implementation. A Framework has been developed by the City

which provides indicators and a process for monitoring the level of decay of areas within the City. This monitoring tool needs to be rolled-out consistently to all regions and continued assessments need to be undertaken to build up a database to inform further interventions to either regenerate decayed areas, provide key actions and plans for areas in transition and at high risk of decay or monitor “fixed” areas to ensure that they continue to function properly and remain sustainable. This information should not only inform interventions and business plans for key role players but also inform budgets.

Who? City Regions, , Urban Management, DED, Joburg Property Company, Development Planning/ Land Use Housing, EISD, Joburg Water, City Power, PikitUp, City Parks, JRA, Transport, JDA, Joshco, JMPD, City Safety Programme, Community Development, Health

Timeframes: Short/ Medium/ Long Term.

Operations/Capital Funding: A plan which identifies roles and responsibilities for each role player as well as specific institutional arrangements needs to be formulated and key areas for intervention need to be determined using the data for short, medium and long time frames.

Action 9.3: Impact of High Densities and Defining Norms and Standards for Formal and Informal Sectors

Why Important?

The SHSUP does propose significantly higher densities throughout the City: more so than has previously been the norm. There is a need for further detailed study to investigate and test the impact of high densities on individual erven and in terms of settlements patterns. For example, the impact of high density residential designs on stormwater drainage or risk of flooding needs to be tested. In addition, current norms and standards for retail or non-residential uses such as shop fronts needs further investigation. What are the acceptable or current standards used by the informal market? Are these standards safe and do they lower rentals and overall costs of the space/ building? What is our understanding of mixed uses? Are there ways to make vertical mixed use work in a single building or a single stand rather than the normal mixed use in terms of a grouping of erven.

Who? Development Planning, Housing, Department of Economic Development, Joburg Water, City Power, PikitUp, City Parks, JRA, Transport, JDA, Joshco, City Safety Programme, Community Development, Health

Timeframes: Medium to Long Term.

Operations/Capital Funding: A series of workshops needs to take place internally to identify areas of research and testing based on problems or challenges. Once areas for further research are determined the services of experts in relevant fields such as design etc may need to be costed and procured.

Action 9.4: Detailed design codes and Infrastructure Guidelines

Why Important?

The SHSUP advocates for much higher densities in terms of residential development than current development policy within the City. It has been noted that the impact of such densities will need to be workshopped and tested particularly with the Municipal Entities. However, a further need exists in terms of determining the needs of different types of households in terms the space/ opportunities forgone due to high densities and the compact city concept. The young and elderly, for example, will need space for different activities. A toddler will need a park to play in, whilst a teenager will need an area to play sport, an elderly person may want a passive space to rest and relax in. A park is one example where the need/s for the activities relating to a park must be explored before planning and implementation, as well as making the distinction between vacant/ open space for a park and open space for conservation/ bio-diversity purposes. Open space can further be distinguished on an environmental/ conservation level in terms of its value for preserving animal or plant species versus land or open space which poses an immediate or future risk if used e.g. building a settlement in or near a wetland may seem like the only sacrifice is losing an area of intrinsic value when the actual impact is poor drainage and over time the risk may increase to flooding of an area or whole settlement. It is critical that the status quo and role of land parcels, spaces and activities is understood and aligned with the type of developments implemented in the City. This work should be incorporated into work done at the Spatial Development Framework level and possible look into setting up a design committee to ensure that plans are checked before construction.

Who? Development Planning, Environment Infrastructure and Services Department, PikitUp, Transport and Joburg Roads Agency, Joburg Water City Power, Joburg Property Company,

Timeframes: Medium to Long Term

Operations/Capital Funding: A series of workshops needs to take place internally to identify areas of research and testing based on problems or challenges. Once areas for further research are determined the services of experts in relevant fields such as design etc may need to be costed and procured.

STRATEGIC INTERVENTION 10: RESEARCH AREAS

Action 10.1: Understanding the spatial locations and accommodation choices made by migrants

Why Important?

The success of the SHSUP will depend on knowing and understanding what accommodation is required and for what purpose. If this information is not known and understood the product and even locations chosen may not be suitable and will compromise the successful implementation of the project. Till recently, housing for the lower income bracket has been in the form of an ownership product on a single stand, while many recipients want a place to stay they do not necessarily want to live in the house permanently and even the design has not been able to adapt to changing household circumstances resulting in the backyard structure in formalised areas. Determining exactly what migrants want when coming to stay in particular locations in the City can assist in terms of accommodation provision as well as the types and norms and standards for services required.

Who? Community Development, Health, Housing, Environment Infrastructure and Services Department

Timeframes: Long Term

Operations/Capital Funding: The Terms of Reference need to be formulated to determine the level of detail of the study and thus determine the required budget.

Action 10.2.1: Understanding the dynamics and changing role of the Inner City as a Node

Why Important?

The role of the Inner City or its potential has not sufficiently been determined and aligned in terms of the SHSUP. The Inner City has been classified as a high level CBD node however; its character appears to be changing with a particular emphasis and contribution towards accommodation. Whether the Inner City should remain a business district or become a residential hub needs to be determined to understand what contributing the Inner City could make in terms of yields and what objectives it should fulfil in the future. It is important that the Inner City have an identity and that it functions in accordance with that identity.

Who? Development Planning, Inner City Team, Community Development, Housing, Environment Infrastructure and Services Department, Housing, Joshco, JDA

Timeframes: Long Term.

Operations/Capital Funding: This needs to be determined and workshopped with key stakeholders to formulate a scope of work to determine a budget.

9.3. Conclusion

The City has to adopt a new approach and a number of alternative delivery mechanisms for integrated housing development in the City if it wants to achieve long term sustainability for all. The present situation is unsustainable and places enormous strain on the resources of the City. As noted in the CoJ Growth Management Strategy it can only be alleviated if investment by both the public and private sector is focused and prioritised in areas that are most suitable to achieve the overall development objectives of the City as a whole, and that are sensitive to the environmental constraints and sensitivities of the City.

The Sustainable Human Settlement Urbanisation Plan of the City of Johannesburg sets out to achieve this as it crafted a development paradigm in relation to accommodation provision in the City over the next twenty years.

It is not a finite product of “projects to be implemented” over the next 20 years, but rather a strategy which provides the framework and tools in terms of which projects will be identified and implemented in the City in future. As such the SHSUP provides the following:

- A set of principles that underpin the priority Strategic Areas for provision of future housing in the City. These principles are aligned to the 2040 GDS Principles and work towards the realisation of a resilient, sustainable, and liveable City.
- A Housing Demand and Opportunities Model that will enable the City to understand what type of housing could be, and should be supplied in various parts of the City, and which allows the City to test and compare various alternative housing scenarios and the implications (yields per typology, tenure composition, densities, costs etc) thereof;
- A practical set of actions to be implemented by the City in order to realise the desired housing supply quantified and modelled in the Strategic Areas and which is based on the following six Strategic Interventions:
 - Identifying and securing public owned land within Strategic Areas;
 - Identification and implementation of State sponsored housing projects;
 - Earmark public owned land to accommodate existing social facilities backlogs and future demands;
 - Facilitate secondary accommodation market;
 - Incentives to enhance private sector involvement;

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- Create appropriate institutional model to implement SHSUP.

These aspects/interventions require integration into the cluster and sectoral business plans of the City to ensure effective alignment and implementation.

It should however be noted that the SHSUP cannot answer all the challenges relating to sustainability and sustainable development. It therefore needs to fit into a bigger framework for sustainable development.

This framework would have to consider issues of sustainability across all sectors/operations and projects across the City to ensure that the theme of sustainability and sustainable development is incorporated in both planning and implementation processes and plans.
