

Housing

Clr Strike Ralegoma



Housing

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Adequate housing, coupled with access to basic services and employment, is the primary determinant for enhancing the quality of life of people and for establishing sustainable and cohesive communities. The legacy of past policies has bequeathed a massive housing backlog in Johannesburg, and indeed, the country as a whole. Since 1994, sterling efforts have been made throughout South Africa to address the shortage of housing, especially for low-income communities. As a result, hundreds of thousands of houses have been built across the country.



The deficiency of housing is a major problem in Johannesburg. The population of the city has increased by over four percent per annum between 1996 and 2001. This increase is mainly driven by migration from other provinces within SA as well as from countries beyond our borders. As a result the demand for adequate shelter has dramatically increased. In a survey conducted by the City of Johannesburg earlier this year, housing ranked in the top five major development challenges facing the city.

Despite these difficulties, Johannesburg has been on the forefront of housing delivery over the last few years. Thousands of houses have been transferred to the rightful owners and new housing has been constructed in places such as Tshepisoong, Braam Fischer ville and Vlakfontein. Security of tenure has been extended to many households and access to electricity and subsidies for upgrading homes were provided.

This chapter of the annual report shows that over the last year the housing department focused on creating housing opportunities, which includes land identification and project feasibility studies, Mayibuye and essential services, the People's Housing Process, RDP housing, institutional/social housing and hostel development programmes.

The housing department's projects were in conjunction with the other City departments, the Gauteng Housing Department and non-governmental organisations. A partnership-based approach makes a major impact on the ongoing efforts to address the housing needs of the citizens of this city to create a better life for all.

ROLE OF HOUSING IN THE CITY

The department, in collaboration with the City's administrative regions, acts as the primary agent for the delivery of housing opportunities, which includes

Housing

housing units that could be rented or bought, serviced land, where people are able to build their own dwellings and housing schemes.

The department's aim is to facilitate the provision of habitable environments, with adequate infrastructure, through the delivery of affordable and safe housing opportunities. Further to this the aim is also to provide social services to encourage the establishment of sustainable communities.

Housing delivery conforms to a comprehensive project cycle where sustainability issues are addressed at each phase of the process. The first phase is the identification of housing needs and the conceptualisation of a project to meet the identified needs. The costs of the project are modelled and sources for alternative financing are considered. After that a decision is taken on the location of the project to align it with the City's Spatial Development Framework (SDF). The mode of delivery for the project is then agreed on and responsibilities for different aspects of the project are determined. The City facilitates the transformation of the habitat at the project site to ensure coordination between the different service providers. Once the houses have been constructed, the City continues to monitor and evaluate the project and retains information on the project for future use. The final step in the project cycle is to build awareness around sustainable housing.

PERFORMANCE 2002/03

CREATING BASELINES

Baseline information did not previously exist for the delivery of housing and housing opportunities. Baselines are now in the final stages of development and these will be used in future planning and development projects.

MANAGEMENT OF HOUSING STOCK

The department was able to set up an institution to oversee the management of Council-owned stock. The Johannesburg Social Housing Company (JOSHCO) was registered as a result of this initiative.

IMPROVED CASH COLLECTIONS

The City previously owned 145 073 housing units, including rental housing, welfare housing and staff accommodation. A total of 13 540 of these housing units were located in former "own affairs" areas, 115 000 in Soweto and the remainder in Alexandra.

The housing department's debtor's section is responsible for the billing and collection of levies for City-owned stock. The Auditor General raised two



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Housing

concerns, namely the inaccuracy of the data and the inaccessibility of cash collection points.

The inaccuracy of the data could be ascribed to the different billing systems that were used in the past. A “clean audit” process was initiated to address the problems with the billing system. Eight collection points, operating over weekends, were also established. Cash collection of revenue has subsequently increased from thirty to sixty percent as a result of the new collection points.

SALES AND TRANSFERS

The City prefers to discontinue the apartheid-era practice of owning and renting out housing stock. A process of selling or transferring ownership of these housing units was therefore initiated. The transfer process has been fast-tracked and a total of 737 314 housing units have already been transferred to qualifying beneficiaries. Independent assessors were appointed to facilitate the transfers of the remaining 71 759 housing units. The assessors have to verify the data of the beneficiaries and have to ensure that beneficiaries, buying formerly rented accommodation, are indeed deserving and that they comply with a specified set of criteria. During the 2002/03 period a total of 26 718 of these deeds were lodged at the Deeds Office and 28 358 title deeds were issued.

HOUSING DELIVERY PROGRAMMES

The department has implemented six delivery programmes. These are land identification and project feasibility studies, Mayibuye and essential services, the People’s Housing Process, formal/turnkey (RDP) housing, institutional/social housing and hostel development programmes. These six delivery programmes are discussed below.



Housing

Land identification and project feasibility studies

A key function of the department is the identification of parcels of land that could be developed. Once the land has been identified, feasibility studies are conducted. The department was able to identify land parcels that could be developed to accommodate 42 000 units, although the initial target was 30 000.

Mayibuye and the essential services

The key delivery milestone in this programme is the approval of a general plan for each project area by the Surveyor General's office, which means that the project area is ready for the installation of essential services. The result of such a programme is a legally proclaimed residential area and security of tenure through the issuing of title deeds for each beneficiary.

Undeveloped pieces of land (green fields) are formalised and townships are established and proclaimed before the transfer of title deeds to beneficiaries commences. The process of formalisation and title deed transfers predominantly applies in areas where informal settlements already exist. This is commonly referred to as "upgrades" and it can either be in-situ or rollover upgrades or a combination of both. The department was able to obtain 13 900 Surveyor General plans in comparison to the set target of 10 000.

Essential services such as water reticulation, sewer reticulation, roads and stormwater infrastructure are installed in both green field and upgrade projects. The end product in this regard is a water and sewer connection for each stand.

People's Housing Process

The Gauteng Provincial Government announced a gradual shift from the provision of the free Reconstruction and Development Programme (RDP) houses to the People's Housing Process. The programme aims to support households that intend to use their subsidies to build or organise the building of their own homes. The first step is for participants to obtain tenure on a piece of property identified through the Mayibuye and essential services programme.

Beneficiaries are then supported to build their own houses on the serviced land. "Support" in this respect refers to technical, financial, logistical and administrative assistance that is critical to the success of the process. The provincial government appointed Council as a support organisation in 2001. Housing support centres have been established in Doornkop, Orange Farm, Diepsloot and Ivory Park. These centres are regarded as the engines for the acceleration of housing delivery through the People's Housing Process.



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Housing

The People's Housing Process is aimed at providing 10 000 housing units over a period of three years to people who earn less than R2 500 per month. To qualify for the programme, participants must contribute in the form of sweat equity or building material contribution to the value of R2 479. This allows them to access a subsidy of R23 100. Indigent beneficiaries, such as the aged, disabled and health stricken, are excluded from the equity contribution and qualify for the full subsidy of R25 580. The People's Housing Process should lead to the building of 60 000 housing units over the next five years.

The City also initiated saving schemes through the National Urban Reconstruction Housing Agency to help applicants to raise the initial funds they require.

Formal/turnkey (RPD) housing programme

The formal housing programme, in terms of the National Housing Code, refers to "Project-linked Greenfield Project Developments". These are projects that are developed on unoccupied land. This entails the establishment of formal townships, which consist of internal and external infrastructure services, construction of formal low-income houses and the transfer of title deeds to the targeted beneficiaries. In this programme contractors are used and beneficiaries are not obliged to participate in the construction.

This programme is aimed at people who earn less than R3 500 per month. However, to qualify for the programme participants must earn at least R2 479 per month, because this allows them to access a subsidy of R23 100. Indigent beneficiaries, such as the aged, disabled and health stricken are excluded from the equity contribution and qualify for the full subsidy of R25 580.

The policy intention is to assist beneficiaries to acquire first time ownership of fixed residential properties. The housing department is implementing this programme in areas where there is a need to build formal houses in a short space of time. The intention is to create 25 000 units over a period of five years. During the financial year 7 693 units were completed, which exceeded the target of 5 000.

Institutional/social housing programme

Social/institutional housing refers to a form of housing that seeks to provide good quality, subsidised housing, which could contribute to the regeneration of the area in which it is located. It also refers to housing that is managed by independent institutions, using participatory management approaches that involve residents operating in a range of tenure forms. Social housing is about the promotion of alternative forms of tenure and ownership normally only happens later in the process, in most cases after eight years.

Housing

Social housing also has the potential to significantly address concerns related to urban regeneration, an improvement in housing densities and sustainable development. This programme enables municipalities to regenerate inner city areas and promote medium-high densities as opposed to single dwellings (“one man one site”) residential developments. The new housing developments around the Newtown precinct and Fordsburg, for example, have contributed to the regeneration of previously degraded urban spaces.

The institutional/social housing programme also includes the implementation of the Presidential Job Summit Pilot Project (PJSP) that emanated from the Job Summit held during the 1990s. The intention is to develop rental-housing stock and to create of job opportunities in the process. During the pilot phase the City plans to develop 5 000 rental units in the next five years. Further to this public private partnerships will be encouraged.

The Better Buildings Programme (BBP), another institutional/social housing programme, aims to stabilise inner city housing conditions by attracting the private sector to invest in inner city buildings that are dilapidated and have rates and service charge arrears. As an incentive for private investment, the City discounts the arrears to the market value of the building, which enables the City to forge public private partnerships with property developers and other service providers in the delivery of social housing and inner city regeneration.

Hostel redevelopment programme

The aim of the hostel redevelopment programme is to make provision for family accommodation for hostel residents in City-owned and public hostels. The hostel redevelopment programme intends to deliver 10 000 family units over the next three years. The department will engage JOSHCO, the provincial government and other stakeholders to participate in the programme. The programme also seeks to improve living conditions for hostel dwellers and promote social integration between the hostels and adjacent communities. The intention is to involve hostel residents, neighbouring communities, relevant public authorities and other stakeholders in the decision-making related to the hostel redevelopment scheme.

INFORMAL SETTLEMENT RELOCATION AND UPGRADE

There are currently 74 informal settlements (170 000 households) in Johannesburg. Conditions in these settlements often pose health and safety risks. For example, some informal settlements are vulnerable to fires or floods. Poor water and sanitation services in some informal settlements result in health risks to residents, as well as having a negative impact on the city’s environment. In many instances informal settlements are located far from work opportunities and other urban amenities.



The upgrade and relocation of informal settlements is a priority. The housing department aims to upgrade all the informal settlements by 2005/06 in relation to the Mayibuye and essential services programme.

Housing

The City has taken a number of steps to address the poor living conditions in informal settlements. To prevent the formation of more informal settlements, the City has maintained a zero tolerance approach to land invasions. In respect of existing informal settlements, the City's plan is to formalise well-located settlements, and make basic water and sanitation services available to residents. Informal settlements that are badly located, for example those settlements built on unstable land, will be relocated.

Forty-seven informal settlements (122 485 households) will be upgraded by 2006. To effectively upgrade these settlements, all residents need to be registered, each unit has to be numbered and fenced in, and streets must be named. Twenty-seven informal settlements (33 625 households) will be relocated between 2003 and 2005 in partnership with the Regions.

FUNDING

The funding for the delivery of projects came from two sources, namely the City of Johannesburg and the provincial government. In total R166,9 million was received, R66,7 million from the City and R100,2 million from the provincial government.

