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Johannesburg Inner City Housing Strategy & Implementation Plan 2014-2021

STRATEGY & PROGRAMMES

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2	Johannesburg Inner City Housing Implementation Plan 2014-2021 – ACTION PLAN	<ul style="list-style-type: none"> Profile of precincts Precinct prioritisation methodology Precinct prioritisation 	
3	Johannesburg Inner City Housing Implementation Plan 2014-2021 – PRECINCT PLAN	<ul style="list-style-type: none"> Precinct action plan Precinct Opportunities Identification Precinct Housing Development Implementation Programme 	PROPERTY DATA SHEET (Excel)

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1 Introduction

1.1 This Report

This report sets out the Inner City Housing Implementation Plan (ICHIP). It is a proposed housing strategy and implementation plan for the Johannesburg Inner City (2014 -2021) that takes into account all sectors of the housing market and the needs of all income groups with an emphasis on the poor.

This plan proposes strategies that can be applied to extend the reach of commercial landlords and social housing institutions down-market; deliver and operate municipal-owned housing and shelters; and incentivize and fund innovative landlords and facility managers to deliver and operate housing and shelter options in the Inner City.

The strategies and implementation plan are built on an extensive review and research process, specifically the following:

- Analysis of the status quo of the Johannesburg Inner City including property market, demographics, living conditions in the less formal private market, investment sentiment, spatial plans and development capacity thresholds.
- Analysis of housing demand and supply, and the anticipated future demand impact of demographic and economic trends in the Inner City.
- Identification of opportunities to test proposed housing strategies within specific areas of the Inner City

ICHIP has been formulated for the City of Johannesburg's Department of Housing, the Johannesburg Social Housing Company (JOSHCO) and the Johannesburg Development Agency (JDA) in collaboration with Johannesburg's Department of Development Planning (DDP).

This report sets out:

- A problem statement;
- Housing demand and supply in the Johannesburg Inner City;
- Proposed housing strategy for the Johannesburg Inner City (2014 – 2021);
- Housing Intervention Plan;
- Funding considerations; and
- Institutional arrangements.

1.2 Background

The development of the Johannesburg Inner City is guided by the Inner City Transformation Roadmap. This is a framework that recognises the central role of the Inner City as an entry point and a place of opportunity for many, including the poor. The Inner City continues to be a meeting point for diverse cultures, as scores of individuals aspire to create a livelihood and find a foothold in the heart of Johannesburg. The Inclusive Mixed Use Housing Programme (IMU) developed by the Department of Housing has reference as a guiding document for achievement of these aims.

The roadmap is the framework through which the City and multiple stakeholders can collectively pursue the vision of the Inner City as A place of opportunity: a well-governed, transformed, safe, clean and sustainable Inner City of Johannesburg, which offers high quality, sustainable services; supports vibrant economic activity; and provides a welcoming place for

all residents, migrants, commuters, workers, traders, investors and tourists. One of the actions identified in the Roadmap is the development of a housing action plan.

Under the auspices of Johannesburg Development Agency (JDA), and in collaboration with the Department of Development Planning (DDP) and the Johannesburg Social Housing Company (JOSCHCO), the City of Johannesburg's Department of Housing appointed a multi-disciplinary consulting team to prepare a housing strategy and action plan for the Johannesburg Inner City.

The task has been guided by the vision of the City of Johannesburg to create sustainable human settlements, informed by the broad vision which is to "provide housing for all, which is a place to stay and grow". Apart from the delivery of houses, the City of Johannesburg is aimed at improving the livelihood of communities and creating sustainable communities.

The Department of Housing envisions "a resilient, liveable, sustainable urban environment – underpinned by infrastructure supportive of a low-carbon economy, which is premised on the development of sustainable human settlements, where the City establishes greater capacity to absorb new entrants and existing residents into a functioning housing system, where all can find a place to live (irrespective of their incomes), that offers good quality of life and is connected to the requisite social amenities".

In the last six years an estimated 50 000 new apartments (mostly in the gap market) have been delivered in Johannesburg's Inner City, largely through the conversion of vacant office buildings. However, these new housing units are not priced to adequately satisfy the demand for affordable housing.

While some housing providers have been able to supply accommodation at around R700 per month (Madulammoho) and R900 per month (JOSCHCO), the providers describe this accommodation as being significantly oversubscribed. Research indicates that the cheapest available room for rent costs R1 700 per month.

As a result of the limited availability of very affordable housing, many households are forced to live in overcrowded, sub-standard or informal accommodation, often known as 'bad buildings'.

Courts have ruled that evictions cannot take place from these 'bad buildings' unless alternative accommodation is provided by the municipality. The City of Johannesburg does not currently have sufficient accommodation for this purpose, nor is there an adequate plan for the supply of this type of accommodation in the medium term. More recently, the high court has judged some Inner City shelter management practices to be unconstitutional, so there is a need to design and price new managed housing models.

This category of the market – poor households who are not served by current housing delivery models – is a primary concern of the City. Strategies that improve the supply of housing to this market are a necessary priority of ICHIP.

1.3 Overall Approach

The strategy and implementation plan flows from the Inner City vision as articulated in the Inner City Roadmap, which envisages the Inner City as:

A place of opportunity: a well-governed, transformed, safe, clean and sustainable Inner City of Johannesburg, which offers high quality, sustainable services; supports vibrant economic activity; and provides a welcoming place for all residents, migrants, commuters, workers, traders, investors and tourists.

The Inner City Roadmap (CoJ 2014) takes forward the work of the 2007-2012 Inner City Charter and, in line with GDS 2040 principles, directs work towards an outcomes-based approach that seeks to tackle problems holistically. This requires that all the departments

involved in a particular issue work together to resolve issues or roll out programmes. The roadmap takes an area-based management and partnership approach to guide municipal activity in transforming the Inner City.

Short-, medium- and long-term outcomes are defined within each pillar defined in the Roadmap. The housing objectives are located within the strategies for an inclusive Inner City. This is crucial to the current assignment, as housing or shelter is one aspect of ensuring an inclusive Inner City and has to be developed and managed in concert with the other elements that contribute to inclusivity. For this reason it is worth quoting directly from the objectives of the Inner City Roadmap to reinforce that the current submission will take a holistic approach to the consideration of the housing question:

An inclusive Inner City will be accessible to the broadest range of urban users. Inner City residents will be well-housed in a range of sustainable housing typologies catering for a range of affordability levels and developed within a sound financing, institutional and regulatory framework. Shelter will be provided for indigent people. Housing will be developed in environments that offer shelter as well as the basic infrastructure, social facilities and open space required for sustainable, healthy neighbourhoods. Residents will have access to recreation and sporting facilities within walking distance, and will enjoy a safe, walkable and pleasant public environment.

Residents' life chances will be widened through investment in health care, health facilities and outreach programmes.

The City will promote a vibrant education cluster with sound, well-supported schools, - networked with public libraries - as well as regulated and supported early childhood development facilities.

A social services network of CBOs, NGOs and municipal services will provide support for the poor of the Inner City through targeted programmes. Social services will be expanded to cater for the range and scale of need and services will be coordinated.

The Inner City will be a beacon of diversity, integrating newcomers and migrants through effective support.

The Inner City will be a centre for art, culture and public art and events.

The Inner City will be a democratic political space where all users are well-informed and participate in public affairs. Residents and users of the Inner City will be encouraged to adhere to by-laws through training and education.

Each of these 'non-shelter' elements presents a risk to the provision of adequate housing in the Inner City. It is imperative that ICHIP be read as a shelter component of a larger Inner City strategy and that all housing that is delivered is planned and delivered in conjunction with the support facilities and services envisaged in the Inner City Transformation Roadmap.

While these elements cannot all be addressed in the current assignment, this submission will work within the assumptions that these elements are necessary for sustainable human settlements within the Inner City and will probe the available work and flag the key challenges and gaps to addressing some of the key outstanding elements identified above.

A pro-poor approach

While this plan focuses on a holistic approach to the housing market and insists that the provision of housing cannot be limited to one sector, but requires a strategy that addresses the intersection of various bands within the housing market, the assignment will focus on the possibilities for housing delivery to the poor as defined in the brief. The Right to Housing and specifically the need to accommodate poor residents in the Inner City informs this plan. To date this has been a serious gap in market and state provision of accommodation in the Inner City. The needs of this sector are largely unmet by the formal housing market.

A pro-poor approach requires that such aspects as livelihood creation, and use of housing opportunities as an asset be explored in housing options. Appropriate typologies, tenure needs to be tailored to the needs of this income group. The realities of unemployment, of temporary employment, of informal employment must be considered. And migrancy status must be accounted for in the strategy. This Inner City Roadmap envisages a diverse Inner City. How this challenge is to be taken on board in terms of the housing needs of foreign residents must be addressed in the strategy.

Importantly, post-occupancy support must be addressed in a strategy that aims to focus on housing provision for poor, vulnerable and marginalised households. Such support has proven a critical success factor in those housing options that have catered to the needs of poor households in the Inner City.

A partnership approach

Delivery of housing cannot be solely undertaken by the state. The plan considers the appropriate roles for the state and private actors.

A key success factor in all these regeneration initiatives has been the development of partnerships for the pooling of resources, for collective definition of the problems, and for joint public and private development initiatives. This approach is emphasised in the roadmap.

In housing this approach is crucial. The housing delivery of the private sector far outstrips that of the state in the Inner City. Moreover the private and NGO sector have achieved the greatest success in moving downmarket in housing. Nevertheless there are severe constraints and shortcomings and housing options for the very poor remain largely informal. A future strategy must provide for strong consideration and enablement of private and public housing efforts. The incentivising of private providers to go further down market needs to be explored and pushed further. The City's contribution to the housing need including the need for services must be boldly and decisively committed. This includes its function as an agent of development, as an enabler of development, as a provider of services, as a subsidy agent and as a provider of social and welfare support. In addition this plan proposes the City's direct involvement in the provision of additional municipal rental housing and further subsidisation of housing for the poor.

A practical approach

The brief to go utterly downmarket is extremely challenging and the City and private partners have not yet been able to reach as far down as this brief requires.

The plan considers the delivery and operational options that are practically possible with City institutional resources and powers. For example, leaning on extensive work that has been undertaken in the review of the ICPS the submission will deepened a probe into how the enhancements formulated for the release and development of buildings might be applied in the housing arena for poor residents. It is necessary that the strategy be implementable and an implementation plan will address practical mechanisms for housing delivery as well as the

tasks required of each department and entity to fulfil the objectives of the strategy and timelines for delivery.

A practical approach is also a feasible approach. Therefore this plan is based on the analysis of the best (albeit at times limited) available data to test possible housing models and options and present to the City what might be workable and what is unlikely to succeed.

A contextual approach

The options for housing delivery are considered in relation to the spatial conditions of the Inner City. They will also be explored against the existing strategic plans for the future development of the Inner City and of each precinct.

A precinct approach

The roadmap advocates a precinct-based approach to revitalisation. The City has undertaken public environment upgrades and planning at a localised precinct level in several parts of the Inner City. This focused attention has been highly successful. In many instances the City has been the primary driver, but in other areas the private sector – in particular, large landholders – has driven regeneration projects in neighbourhoods or precincts. In line with this approach precincts defined by the City will be assessed for their capacity to absorb in particular housing for the target market that is prioritised by this assignment. Housing intervention should be focused within an area-based planning approach. The contextual factors, land ownership, building stock potential and the development sentiments and dynamic have been probed to provide a profile and a capacity index of each precinct in relation to this housing brief. In addition recommendations are made for the accommodation of housing typologies within prioritised precincts. Precincts are also prioritised for absorption of housing.

An inclusive approach

The Inner City is a residential space for people who have lived in Johannesburg for many years and for those who are newly arrived; people who live there permanently and people who are transient stay in the space for a few days or weeks at a time; South African citizens and foreign born residents; people who have full residency status and people who are seeking asylum. All of these people need safe and healthy shelter and this strategy needs to accommodate their needs. To this end the strategy provides for a range of housing forms and levels of affordability. Programmes implemented within this strategy need as far as possible to include will who choose to make Johannesburg their home.

Promotion of choice

There are multiple housing conditions, spatial conditions and contextual considerations in the delivery of appropriate housing options in the Inner City. This plan examines and advocates a range of housing options to cater for the range of needs of those who might require permanent or short-term accommodation.

1.4 Methodology

The team employed on this task is multidisciplinary. It includes a number of planning practitioners (with expertise in research, Inner City issues, project management, social housing and housing tools), an urban designer, a development economics expert, housing and planning academics, postgraduate researchers, a statistician, and a quantity surveyor. An important part of the process has been the team workshopping of various aspects of the analysis of conditions and findings as well as of potential solutions and strategic direction. Regular team meetings and workshops have allowed for a robust reflection and critique of analysis and of ideas. This process has been enriched by the inclusion of the City's project

leader in a number of team sessions but also in on-going one on one discussion throughout the task.

In addition to the core fieldwork that involved interviews with tenants, caretakers, 'mastandes', landlords and prospective tenants for 'less formal' living arrangements in a number of Inner City neighbourhoods, interviews were conducted with representatives of: private developers (AFHCO, Ithemba, Bjala) Social housing companies (JOSHCO, Madulammoho Housing Association); migration expert (Matthew Wilhelm Solomon, Funders (TUHF); City officials from Housing Department, Development Planning, Social Services, CRUM

At key points ideas were workshopped with a reference team of housing experts and also with City officials.

Field visits were conducted to all Inner City precincts and again to a shortlist of potential precincts for priority intervention.

The process undertaken for the task has been as follows:

- A desktop analysis was conducted of
- The national policy and legislative environment that supports and hinders Inner City housing
- The policy environment and instruments within the City of Johannesburg
- Pertinent bylaws
- City level incentives (Planning incentives, Expanded social package)
- Court cases that have implicated the City of Johannesburg in housing delivery
- Public housing experiences internationally and in Johannesburg
- Subsidy instruments
- Living conditions of the poor in Inner City Johannesburg

Fieldwork was conducted through short interviews with prospective tenants, caretakers, mastandes and tenants of apartments and rooms rented in houses and apartments in Yeoville, Berea, Hillbrow, Fordsburg, Mayfair, Bertrams, the core Inner City and Bez Valley. These interviews probed quality of accommodation, management arrangements, tenancy arrangements, occupancy density, rent and service costs, and income and residential trajectory.

Field observation of living conditions and of building stock in various precincts in the Inner City was also conducted

The desktop and fieldwork provided a basis for sketching the parameters of the strategy including its principles and the focus areas for intervening in the Inner City housing market

For the design of housing products research and analysis was undertaken of

- Census data at an Inner City wide level and at a neighbourhood level was matched and overlaid with GIS data to provide a profile of incomes, housing typologies, living circumstances and densification potential in geographic areas.
- The suitability of various subsidy mechanisms
- Private developers models and tools for providing low-income accommodation
- Housing typologies available through private sector and social housing institutions
- Capital and operational costs for a range of housing typologies
- Housing typologies were defined for each income band in the Inner City housing market

In addition:

- The benefits of capital vs. operational subsidies were debated with housing providers. And various subsidy possibilities (subject subsidy, unit subsidy) were debated.
- The housing typologies and delivery mechanisms were fleshed out and were refined through discussion and workshop with City officials.
- Institutional mechanisms were debated with City officials.

2 Problem Statement

2.1 Background

In the last six years an estimated 50 000 new apartments (mostly in the middle income rental market) have been delivered in Johannesburg's Inner City, largely through the conversion of vacant office buildings and the rehabilitation of old residential blocks. However, these new housing units are not priced to adequately satisfy the demand for accommodation that is affordable to lower income groups. While some housing providers have been able to supply accommodation at around R700 per month (such as Madulamoho) and R900 per month (JOSHCO), these providers describe this accommodation as being significantly oversubscribed. Research indicates that the cheapest available room for rent costs around R1 700 per month. As a result of the limited availability of very affordable housing, many households are forced to live in overcrowded, sub-standard or informal accommodation, often known as 'bad buildings'.

Courts have ruled that evictions cannot take place from these 'bad buildings' unless the municipality provides alternative accommodation. The City of Johannesburg does not currently have sufficient accommodation for this purpose, nor is there an adequate plan for the supply of this type of accommodation in the medium term. More recently, the high court has judged some Inner City shelter management practices to be unconstitutional, so there is a need to design and price new managed housing models reaching further down-market.

This assignment therefore seeks to formulate an Inner City Housing Strategy for Johannesburg that takes into account all sectors of the housing market and the needs of all income groups with an emphasis on the very poor. The strategy will build on the extensive work that has already been undertaken and is underway.

2.2 Inner City Context

The Inner City of Johannesburg, which has a diverse mix of land uses, has significant strategic value within the metropolitan region. Indeed, it is the most important and varied transport hub for the region's and metro's citizens and has recently been the recipient of significant public sector investment in transportation networks and facility upgrades. Additionally, the Inner City remains the corporate headquarters for some of the country's largest corporations and offers a range of commercial accommodation. It is also an incubator and entry point for SMMEs and many creative industries. The Inner City is thus an important employment node, as well as a place of opportunity and inclusivity.

Moreover, the Inner City is rich in cultural and heritage assets and houses many of Johannesburg's major educational, artistic and sporting institutions and venues. For many people, it serves as a retail service centre, providing important retail opportunities for the residents in the south, and for cross-border shoppers, serving a large and different market from those utilising retail malls. It also houses a large concentration of FBOs, CBOs and NGOs, and has been the site of considerable private and public sector investment where partnerships have been a key success factor.

Critically, the Inner City is a vital and vibrant residential node. It is an entry point from South Africa's rural areas, other metros and other African states, as well as being a place of economic, social and residential opportunity for many, including the poor. Its population is cosmopolitan, comprising South Africans (of all race groups), Eastern Europeans, Asians and Africans from countries including Zimbabwe, Zambia, Mozambique, Rwanda, Burundi, Ethiopia and Nigeria.

It is thus significant that the Inner City is also the site of urban decay and decline in many areas, as well as increasing urban management challenges. Indeed, the rapid urbanisation and growth in population in the Inner City has placed a rapid increase in demand on services which has far outweighed delivery levels. This is exacerbated by failures caused by limited maintenance of an already ageing infrastructure. While there are heartening signs that significant private and public investments are being made in Inner City development, it is also clear that the Inner City (and its housing market in particular) remains under stress.

2.3 Challenges and Opportunities

In simple terms the demand for affordable housing outstrips supply of suitable housing for the poor in Inner City Johannesburg. But this problem is complicated. It is the product of a long history of urban decline and of mounting demand for access to the city. At the same time there are many innovations and substantial investment in housing in the Inner City. And so tackling the problem demands both grappling with the complex challenges that restrict supply and taking advantage of the many opportunities that are available to stimulate housing supply at lower cost.

This section maps the key challenges that inhibit a vibrant Inner City housing market that works for the poor and the key opportunities to enhance such a market. It should be read in conjunction with the details of fieldwork and literature reviews that are provided in the demand and supply section of the report.

2.3.1 Challenges

1) High levels of poverty

The key 'housing' problem in the Inner City is unemployment. There is a very serious affordability constraint faced by Inner City residents. A large number of people who rely on being in the Inner City to seek survivalist and entrepreneurial opportunity lack the affordability for housing that is delivered and are possible in the Inner City.

The problem is economic and the lack of suitable shelter is a manifestation of an economic crisis. But low levels of affordability mean that tenants cannot pay rents and service charges. It also means that both landlords and tenants have incentives to overcrowd space in order to reduce the rental amounts per capita.

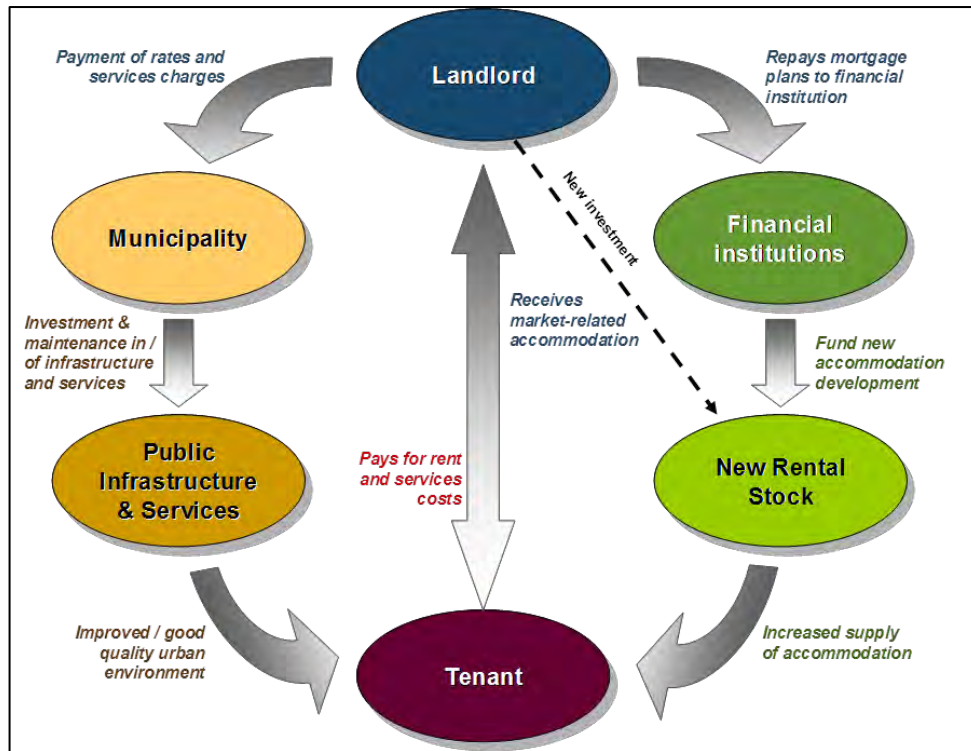
2) A stressed built form

The core Inner City and the precincts north of it host modernist high-rise buildings. These are expensive to maintain and they rely on working services (water, electricity). Across much of the Inner City both formal and informal renting of space is undertaken in ways that are safe and provide reasonable accommodation. Those buildings pose no threat and they are providing sound accommodation that caters to a large demand.

But much of Johannesburg's Inner City has been beset by a vicious property cycle as described in the City's 'bad Buildings' Strategy. The challenge is to move the whole Inner City into a virtuous cycle.

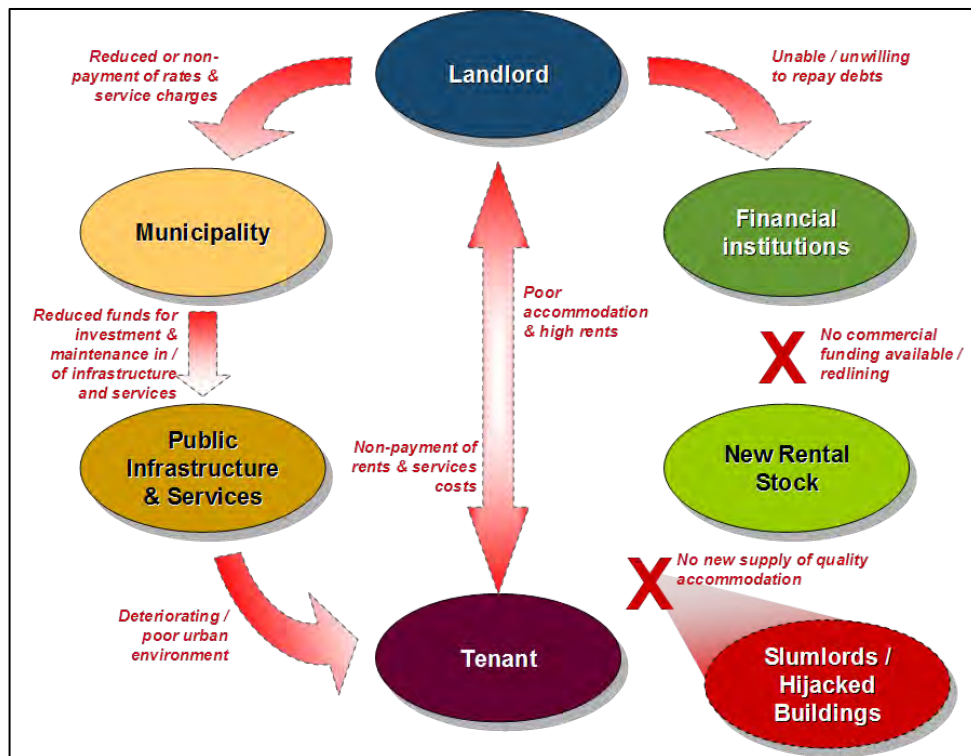
As indicated in the diagrams below a virtuous property cycle enables on-going property investment and sustained municipal services, whereas in a vicious property cycle the conditions for decay and exploitation set in and poor municipal management contributes to weakened property market and inadequate housing supply:

Figure 1: Virtuous Property Cycle



Source: CoJ Bad Buildings Strategy, 2009

Figure 2: Vicious Property Cycle



Source: CoJ Bad Buildings Strategy, 2009

Currently building conditions in the Inner City are variable. Some buildings are bad and within those there are some that pose low risk to health and safety, others pose medium risk and others pose a high risk.

Where there is stress on the buildings' services through overuse or through a breakdown of one or other service, the buildings functionality is quickly compromised. A breakdown in electricity for instance affects lifts and water pumps and quickly results in water and sanitation services in the building being interrupted. Although the buildings are strong and can tolerate substantial densities they can only do so if services are functioning well and if there are enough water points, toilets and electricity connections in the building. In order to manage the high rentals within high-rise buildings many tenants are overcrowding the space and sharing costs. Overcrowding places pressure on services. Where it is coupled with neglect of maintenance it soon results in a breakdown of services. Accumulation of solid waste, water leaks and sewer overflows result. There are two predominant forms of building occupation where this occurs – overcrowded residential units, and invaded industrial buildings.

Flats that are occupied by multiple households are informally subdivided. In many cases this is done with materials and with space allocation that provides reasonable space and safe partitioning of the unit. In other cases the materials and the extent of overcrowding may pose health and safety risks.

Many redundant industrial and commercial buildings, particularly on the eastern and southern rim of the Inner City have been appropriated as residential dwellings. This occupation has taken place without adequate increases and adjustments to services required for the number of people living in the buildings.

Informal settlements inside buildings - with shacks constructed of makeshift materials or even brick structures have been developed inside of a significant number of warehouses that have been invaded illegally and appropriated for housing. Whilst these spaces are not unsuited to residential accommodation of properly serviced and subdivided, their present condition poses health and safety risks owing to a lack of basic services and materials used for subdivisions. The extent of overcrowding also poses a potential health risk.

3) Weak property ownership systems and weak property management

The overcrowding and degradation of buildings is linked to weak management. Many landlords in the Inner City are not involved in the management of their properties. This is particularly true of sectional title units where Bodies Corporate have collapsed and business are not being managed collectively. There is little attention to the management arrangements for security, cleaning and maintenance of public spaces in the building. Absentee landlords have reduced their responsibility and are only collecting rentals. They have handed this function over to agents and are collecting rent from remote locations. These absentee landlords have no incentive to ensure that services are well maintained, that tenant rights are adhered to or that rentals are kept to reasonable levels. This creates a market that is open to exploitation by the landlord as well as by agents and intermediaries who provide services that do not serve the tenants or the municipality's interests and whose services add an extra layer to rental amounts. Management of the property is not being attended to and degradation of building stock sets in. On the other hand many 'good owners' of sectional title units in buildings that have degenerated are often paying on-going bonds and/or municipal service charges for units that they have no access to. Even in a building where some units are well managed there is often insufficient scale to ensure that the whole building is not at risk of becoming a 'bad building'.

In rental accommodation the risk is slum lording. In these cases owners of buildings are maximising their rental incomes by allowing people to live in the building at any densities and are not providing the requisite services for those densities. The result is exploitation of tenants who are paying exorbitant amounts per square metre to live in conditions that do not secure their health or safety. Under- investment in maintenance, failure to pay rates and service charges, and over-crowding of flats enables slumlords to extract excessive profits. This gives them a significant advantage over legitimate developers in the purchase of buildings coming onto the market. It may also mean that the average price of a well-maintained rented unit is undercut, distorting the market and limiting the willingness of developers and financing institutions to invest in more supply catering to the lower end of the market.

The conditions in slummed buildings pose variable risk. The challenge is to take hold of and rehabilitate those that pose the highest risk and to stem the decline of and also rehabilitate those that pose low and medium risk.

In some cases criminals have taken control of buildings. These so-called hijacked buildings have been wrested from their owners and the rights of both owners and tenants are violated as criminals exploit the need for shelter by charging rentals and providing little or no services, or providing illegal connections.

These weak management systems actively decay the stock of the Inner City. As highlighted in the City's bad buildings Strategy (2010) 'Bad buildings' lower the value of properties in an area and hence lower the yields that 'good' landlords

hope to reap from their investments. The cost of regeneration of an area is borne by a number of stakeholders including building owners in that area. And the costs of upgrading of building that have degenerated are onerous. Where municipal service accounts have fallen into areas, through the active or unintentional non-payment by owners, debts increase and owners risk the loss of these assets. Where buildings have been hijacked owners are unable to claim their property. Owners who have bought buildings in poor conditions typically face high costs, lengthy municipal procedures, and high moral and monetary costs of eviction.

Note: It is necessary to reiterate that the fact that a building is run down is not evidence of criminal take-over. It may be the result of a conscious decision by the owner not to maintain the building. People who can afford very little, and/or face other barriers to entry into good buildings (for example if they are refugees and don't have SA identification documents), often have no choice but to find occupation in such buildings. That people occupy buildings which do not adhere to legislated public-health, safety and planning control standards does not mean that they themselves are engaged in illegal activity. Failure to make this distinction is to effectively criminalize the poor and vulnerable.

4) New household configurations and lifestyle choices

The Inner City hosts a population that includes families, couples and singles. Many of these people are making a lifestyle choice to live in the Inner City in various household configurations that range from singles, to couples to families to groups sharing with people they know and to strangers living together in order to have access to the benefits of the Inner City. Many live in communal accommodation where bathrooms and kitchen facilities are shared.

The periods of stay vary. A significant proportion of residents still do not regard the city as their permanent home, or have homes elsewhere on the outskirts of Johannesburg from where transport time and cost make it impossible to commute daily. In these situations there is a natural incentive to want to avoid as much expenditure on accommodation as possible. Money earned is rather remitted elsewhere in the country or on the continent, or invested in homes in other parts of the city. These are new community formations. Formations of people who may well not want to stay permanently in the Inner City. But their choice to live in the Inner City valid and demands a requisite housing response. Much of the housing demand is for short stay, rental accommodation at very low cost.

5) Limited opportunities for migrants

Numerous Inner City residents do not qualify for housing subsidies. There is no clear policy in respect of services and housing support for non-South African migrants and Asylum Seekers. Many are exploited in slummed and hijacked buildings. Their tenant rights are not protected. On the other hand many can afford to contribute to rentals to the rates base but are denied this opportunity because their migrants status excludes them from being leaseholders.

6) Inadequate supply of special needs and welfare housing

There is a lack of accommodation for marginalised individuals and people with special needs including street- children; abused women and trafficked girls; the aged; chronically homeless, as well as emergency accommodation to cater for disasters such as fire.

7) Inadequate City services

Public infrastructure is not keeping pace with increased demand. The Inner City was designed as a commercial and retail node. The large increase in residential population has not been matched with the provision of services to support the educational, social and recreational needs of a sustainable residential community. There is a large backlog in the provision of schooling including day care, pre-school and primary and secondary schooling, in the provision of open space, parks and recreational opportunities, in the provision of primary healthcare facilities. In addition public transportation is highly stressed and traffic congestion is extreme.

8) Constrained housing supply

There are too few suitable housing products available for poorer persons to rent in the Inner City. The highest demand for residential accommodation in the Inner City is at the lowest end of the market which neither the private sector nor social housing providers can sustainability service. There is a big drive behind conversion of low-grade commercial, (some) light industrial, and older residential hotel buildings into rental accommodation directed at the lower middle income and the affordable housing market. The new residential development has been able to take advantage of low property values in the Inner City and has created pockets of gentrification. The result is on the one hand the provision of accommodation to serve the massive demand for lower middle income rental. On the other a consequence of the upgrading has been the displacement of poorer households who have occupied buildings that have suffered decline.

Property prices have escalated. There is a lack of affordable vacant properties for the development of affordable accommodation in the Inner City.

And the provision of housing at the lower end of affordability is perceived as high risk. Banks are reluctant to lend in this market because they expect lower returns and high levels of default. Redlining is common.

There are several dangers in an undersupply of affordable accommodation. But it is not an isolated market; it is linked to all levels of affordability and to supply of housing at all levels of the housing market. Some segments of the housing market appear to be better served than others. Supply has massively increased for low middle and middle-income residents. But in general terms there is a lack of adequate supply at all levels of the housing ladder. While a lack of affordable rental accommodation of low- and sporadic-income earners is particularly concerning, weak supply at higher levels compounds the problem further down the ladder. Limited supply creates opportunities for overpricing. Landlords may redevelop properties where poorer persons live and displace those tenants because there is a ready market for accommodation at higher rentals. In addition higher income tenants can downward raid into accommodation that is more suitable to poorer tenants because the supply at all levels is constrained.

9) Legislation/Regulation/Planning frameworks

The Constitutional Court has obliged the City to respond to evictions and to inadequate living conditions in the Inner City. The stay on evictions that has resulted in several buildings in the Inner City place a burden on the City to provide alternative accommodation before any buildings rehabilitation can begin. Delays in the provision of alternatives exacerbate the risk to residents. On the other hand the City is constrained by the fact that alternative accommodation must offer secure enough tenure to avoid future evictions. The City must both unlock transitional accommodation and ensure that more

permanent accommodation options are available to people confronted with displacement.

There is a raft of City bylaws – health; environmental health; building regulations and planning regulations that effectively “criminalise” much of the residential accommodation that is currently being provided by private individuals in the Inner City. These bylaws are too many and too complex to police. The scale of ‘illegality’ that is affected by these by-laws makes any policing thereof overwhelming. In addition the cases that are picked up are not necessarily the worst cases or the exceptions that require severe policing. The response is often inadequate policing / reluctance to intervene.

The planning requirements for regularising existing conditions are onerous. In addition to the need for submission of building plans, landlords who are providing additional accommodation in single residential units are required to submit site development plans, may be required to apply for consent uses and will be required to provide parking. Some of these requirements are costly and not proportionate to the nature of the conversion. They may dis-incentivise densification of smaller properties in the rim of the Inner City where much potential lies for providing additional accommodation through subdivision of space and the addition of rooms.

10) Cost escalations

The state of the economy and the nature of the residential property market in the Inner City as well as the extreme hikes in municipal service charges have resulted in dramatic cost escalations for the provision of housing in the Inner City.

Capital costs escalated from an estimated R1,000/m² in 2002 to R8,500 in 2012. Refurbishment costs are almost R10,000/m².

And operating costs are increasing at more than double CPI on an annual basis, mainly driven by administered prices (electricity, water, sewer and refuse charges).

Property rates are also increasing rapidly as property valuations increase on the back of revitalisation and broader property market trends.

11) Service delivery/urban management and administration

Infrastructure in the Inner City is aging and not being adequately maintained or replaced. There is uneven service delivery, especially in terms of refuse removal. Urban management systems are weak and short of capacity. Additional densities place an additional burden on city services and on urban management and the systems and scale of urban management have not kept pace.

The Inner City property market is further constrained by the failure of the City to apply appropriate rates and service charges. In addition the on-going billing crisis means that landlords receive inaccurate statements. These issues are particularly harmful to small-scale landlords. Where municipal services charge systems fail, the problems and uncertainties are passed onto tenants who are likely to see the charges as part of their rental package and may resist rental payments as a result. Landlords therefore bear the brunt of failures in the City’s administration. Increased service charges mean that the City potentially gains revenue, but it results in accommodation costs becoming unaffordable to tenants and it increases the work of landlords in collecting revenue on behalf of the City.

There is no centralised effective database on Inner City property, rates etc. this hampers all planning for housing opportunity and it hampers the City's capacity to intervene to unlock opportunities. It also interferes with law enforcement. The existing databases are unclear, duplicated and incomplete. A comprehensive overhaul of this database has been called for since the mid 2000s and it is extremely overdue.

2.3.2 Opportunities

1) Repurposing of properties

The Inner City as a place of residence is changing. There are multiple formal (large and small landlords as well as social housing) and informal (subdivisions, backyard, non-residential spaces) responses to this demand. The formal response includes repurposed vacant buildings, repurposed redundant industrial and commercial buildings; conversion from middle income flats to more affordable rental. In some developments innovations in finishes and efforts to promote energy saving in buildings have helped lower costs to tenants.

New designs for single living and for communal living with shared facilities have been created.

2) Significant private investment

Since the 1990s there has been an upsurge in investment in the Inner City. Much of this has been in the residential space. The private sector - in the form of housing companies that have grown from small to sizeable operations - has responded to the demand for affordable Inner City accommodation by providing lower middle-income rental opportunities. In addition small-scale landlords and individuals continue to provide accommodation for lower middle and lower income households.

There has been increasing innovation in the design, project packaging and financing to serve a wider market. It is these opportunities and innovations that must be seized in order to boost the residential sector in the Inner City. Because the City's strategy must focus on stimulating supply.

There has been a high scale of delivery. Members of JPOMA have delivered approximately 50,000 units in 10 years.

Social housing models are increasingly moving into mixed income and innovation with cross-subsidising, and through innovating around communal rooms with shared facilities.

3) New entrants to the property market

Whereas a handful of large corporate developers were responsible for the early investment in rental housing in the Inner City, there has in recent years been an increase in small-scale landlords and emerging black entrepreneurial developers. The housing market offers space of transformation and offers particular opportunity to emerging entrepreneurs through innovative funding programmes led by TUHF. These include programmes where caretakers have become landlords. The fund has also seen the growth of property entrepreneurs who, building by building have increased the size of their portfolios to substantial figures.

4) Improved investment climate (in pockets)

There has been substantial turnaround from urban decline in many pockets of the Inner City. This turnaround is both a consequence of – and a reason for – the positive response from financiers, innovative property developers and investors. Recently a first batch of Inner City affordable property portfolios has been listed on the JSE (Real Estate Investment Trust - REIT). This is a further indication of confidence in Inner City affordable rental.

TUHF has financed 20,000 Inner City units in 10 years. This finance has mostly enabled small emerging black landlords who have rehabilitated medium and low-rise slummed buildings. TUHF is now also focusing on the rehabilitation of slumlords.

5) Dynamic informal property market

Housing is being supplied to the poor in the Inner City. It is being supplied informally and through the repurposing of residential and other spaces in ways that they were not designed for. But this is catering to a high demand for accommodation from people with low and unpredictable incomes. The response includes the irregular subdivision of apartments in high rise buildings with variable outcomes. However, much of it offers reasonable accommodation at an affordable price point. Individual houses and low rise flats are also being subdivided into rooms for rent – with similarly variable outcomes but overall these are contributing to supply and the good outcomes deserve to be enhanced.

Backyard structures in the residential suburbs of the Inner City are being developed in response to the need for very affordable single accommodation.

6) Infrastructure base and permissive zoning

The Inner City is well located with a considerable, if aging, infrastructure base. Its transportation infrastructure is strong.

While there are challenges in terms of public open space, recreation and education facilities, tertiary health care is well served.

In terms of planning regulation the Inner City zoning is permissive - enabling significant densification and innovation.

2.4 Precinct Level Conditions & Cross cutting spatial priorities

Underpinning the overall strategy and implementation approach is the recognition – contained in the City's Bad Buildings Strategy as well as the Inner City Roadmap – that housing and related issues need to be tackled on area basis. The primary unit of analysis and intervention we have adopted – in line with the Inner City Urban Design Implementation Plan – is that of precincts.

This section focuses on the physical and related circumstances in various precincts of the Inner City. This includes a mapping of current registered properties against available demographic data which provides insight into the housing conditions prevalent in each area.¹

¹ It should be noted that the analysis undertaken has limitations in that given the complete absence of any coherent, systemic and comprehensive data within the CoJ, reliance has been placed on existing demographic data extracted from the 2011 Census as well as the city's own property rates account. These data sets face both limitations in respect of their timeframes (Census is 2011 while the CoJ rates data is from 2013) while the overall lap of spatial boundaries between precincts, suburbs and sub places is inconsistent. In addition there are precincts that cannot be isolated from the existing Census data.

Currently, limited consolidated datasets of information relating to specific areas in the Inner City exist. Therefore, different data has been used where available to develop a picture of Inner City housing circumstances. Data sources used include:

- Stats SA 2011 Census data, from which demographic data (numbers of people and households, income profiles, housing and tenure information is calculated;
- City of Johannesburg Rates database data (2013), from which discrete stands, units and building information is taken in order to determine landuses, property types and numbers, and rates and services connection information.

This information is then analysed separately, and cross-correlated in order to develop a profile of housing circumstances in each area, with respect to the numbers, sizes and types of households occupying the numbers of units in each geographic area. It is noted that the correlation of categories of building type from the rates database and the accommodation types from the Census data are not a perfect match.

There is some dissonance between the grain of the available information within and between these datasets, as well as across the specific precincts in the Inner City. As a result, it has not been possible to accurately model conditions in each precinct, albeit that the zones for which data can be disaggregated create a good picture of the housing conditions and variations across the Inner City.

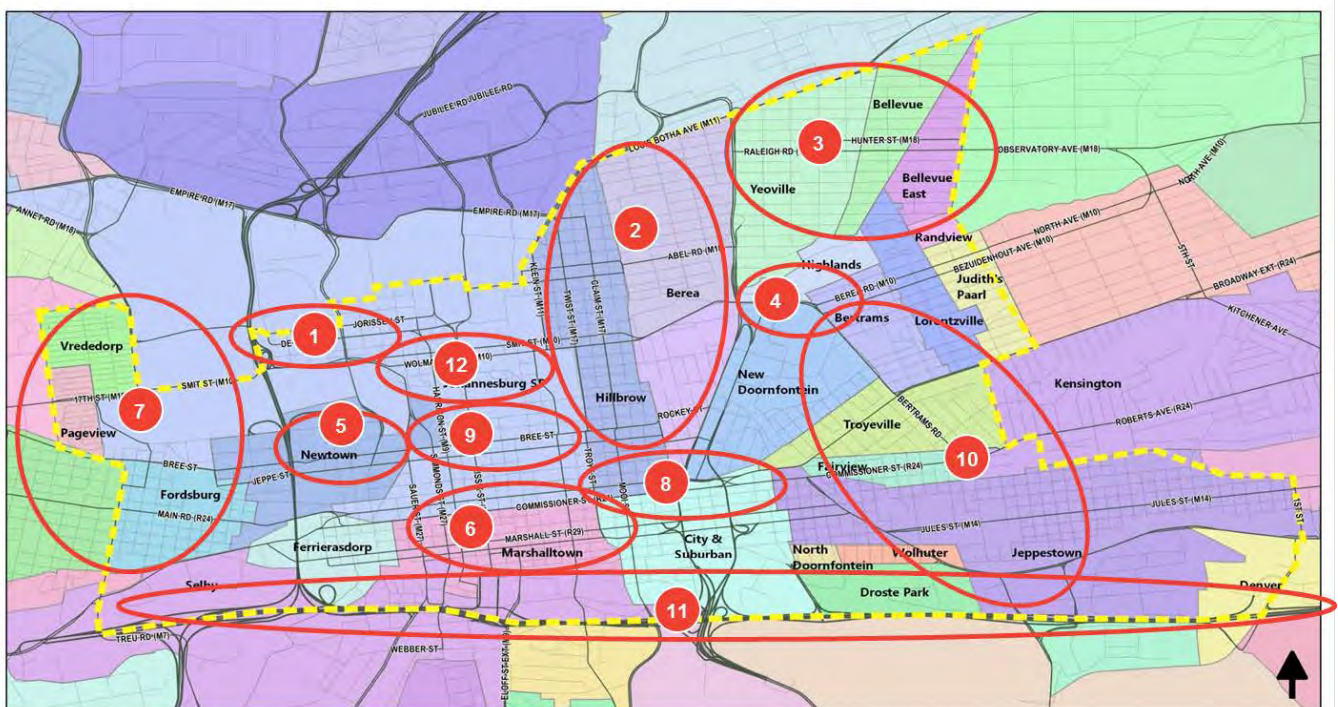
These are also spatial programmes that have been defined in the Inner City Urban Design Implementation Plan that need to be undertaken across neighbourhoods of the Inner City. These must be undertaken in response to the conditions on the ground and be accommodated in areas of need and opportunity in a variety of neighbourhoods. **Housing development must be undertaken in concert with these shelter and non-shelter interventions.**

The most important of these are:

- Infill housing programmes and integrated mixed use developments;
- Development or upgrading of social facilities;
- Pocket parks;
- Development of off-street parking facilities, reduction and proper management of on-street parking;
- Public spaces partnership programmes where the City will co-fund environmental upgrades in public space;
- Development of markets and street trading facilities;
- Energy saving interventions.

Indicated in the map below are the key precincts identified in the Inner City:

Figure 3: Inner City Precincts



1. Braamfontein (corporate offices & student accommodation)
2. Hillbrow & Berea (high-density residential)
3. Yeoville & Bellevue (medium to high-density residential in low-rise buildings)
4. Greater Ellis Park, Doornfontein and New Doornfontein (Manufacturing, sports precinct, education precinct, residential area)
5. Newtown (Newly regenerated cultural precinct)
6. Inner city south-western precinct (offices with corporate core)
7. Fordsburg, Vrededorp and Pageview (Heritage-rich Indian enclave)
8. Inner city eastern core (cross border shopping, light manufacture with regenerated precincts)
9. Inner city central core (mixed-use with retail core)
10. Bertrams, Jeppeshtown and Troyeville (low-rise high-density residential area)
11. Industrial Belt (Industrial area)
12. The railway seam- Park Station and surrounds

2.4.1 Braamfontein (corporate offices & student accommodation)

Braamfontein is a mixed-use precinct. It is home to Wits University and is the fourth largest office node in Johannesburg. A & B-grade office space is interspersed with a strong residential component (refurbished middle to upper income rental, student and loft apartments), convenience retail and entertainment facilities. The precinct hosts the seat of local government.

Braamfontein went through a period of severe urban decay between late the 1980s and early 2000s, with many buildings subject to slum-lording. Office vacancies increased following the flight of commercial use from the Inner City. There was also a change in the type of users, type of retail and a loss of retail variety.

Braamfontein's regeneration was initiated by the private sector. In 2002, the JDA followed with public environment upgrades, creating a quality pedestrian environment with safe, vibrant public spaces. The Braamfontein Improvement District was formally legislated in 2004 and ensures quality urban management and marketing of the precinct. Braamfontein remains a 'restricted trading area' in terms of street trading. The area now has vibrant retail and social activities, with public art, coffee shops, restaurants, art galleries and theatres as well as a weekend market patronised by both residents and visitors.

The precinct, whilst mixed in use, remains physically divided in character, with A & B-grade office space and sound public environments dominating the northern area, becoming increasingly 'informal' to the south with a predominance of C & D-grade offices and an increasing amount of residential development.

The southern area is home to a large number of NGOs, FBOs and CBOs, as well as some creative/ television-production companies and private tertiary education institutions. Public transportation dominates the extreme south of the precinct bordering the railway line, Park Station and the new Gautrain Station development.

See **Figure 4** below for an overview of housing circumstances in this precinct.

2.4.2 Hillbrow & Berea (high-density residential)

Hillbrow and Berea are mixed-use, high density, predominantly residential areas. The area is and has traditionally been a transitional 'port of entry', absorbing immigrants from southern, central and northern Africa. Today, Hillbrow/ Berea is the most densely populated neighbourhood in South Africa.

As a result of its high density and diverse cultures, Hillbrow and Berea display busy retail activity, many exotic restaurants, shebeens, clubs, hotels, education centres and thriving informal trade on the streets.

Although many apartment buildings have been rehabilitated and are well-managed, there are still buildings run by illegal slumlords.

The population in Hillbrow/Berea has increased 2,5 times within 20 years with no increase in building density.

The implications of these density changes are:

- The existing infrastructure is not coping;
- There is an inadequate number of social and community services such as clinics, schools and crèches;
- There is a shortage of well-managed, safe public open space;
- Violent crime together with social problems caused by drug trafficking, prostitution, homelessness and street children impacts on the daily lives of residents.

In recent years both the City and some pro-active landlords have worked on improving the public environment. Initiatives in the neighbourhood include:

- The Hillbrow Health precinct intended to create an integrated, safe, secure and functional area for health care and health educational facilities;
- Private sector rehabilitation of residential stock by Ithemba, Connaught, TUHF, AFHCO, Jozi Housing, Trafalgar and the Johannesburg Housing Company;
- Conversion of some slum buildings into upgraded residential facilities by the City, through the Better Buildings Programme;
- Establishment of community-managed neighbourhood improvement districts such as JHC's eKhaya (with two new pocket parks) and Madula Moho's Legae Lerona;
- A JDA-implemented R171 million upgrade including improvements to pavements, parks and establishment of a new recreation centre.

See **Figure 4** and **Figure 5** below for an overview of housing circumstances in this precinct.

Figure 4 below summarises housing conditions in the Braamfontein / Hillbrow / Inner City Core area. The first diagram (top left) shows the land use distribution across the area. While Hillbrow is predominantly Sectional Title (with much being high-rise buildings), Residential A and Business, the Braamfontein and Inner City Core areas are predominantly zoned for Business.

The second diagram (top right) shows the distribution of households in these areas, across household income bands, per accommodation type. This shows that in this zone, the majority of households earn between R3 200 and R25 000 per month, and hence do not qualify for subsidised accommodation. In addition, there is a significant number of households (3,200) who claim to earn no income.

The third diagram outlines the distribution of households per accommodation type and household size. 93% of the reported 12 093 households in this area live in flats or apartment blocks, and 5,7% in houses. Also notable is that 63% of households in flats are single-person or two-person households, in roughly equal proportions.

The fourth diagram (bottom right) distributes households across available, known housing units in the zone, based on the number of properties and/or units recorded in the city rates database. This clearly shows, in black numbers, the deemed numbers of primary households in each accommodation type. The red numbers then indicate a distribution of additional households being accommodated in these units.

In this area, there are 7,451 residential units, 98% of which are flats and apartments. In this zone, it is calculated that in flats and apartments, 35% of households are doubling up in existing units. In houses, there are approximately five households being accommodated per house. At this stage, it is not possible to accurately ascertain the numbers of households living in buildings zoned as business.

Using the same methodology as above, the data for Berea (**Figure 5**) illustrates a poorer income profile on average than for the Inner City core. Berea has 5,430 residential units, accommodating 14,412 households. The majority (91,7%) of accommodation units are flats and apartments, with the remaining 9,3% being houses. It is calculated that flats and apartments accommodate more than double (135%) their number of households, while houses accommodate 209% more households than their number. This area shows a significant densification through backyard occupancy too, which by definition occur in residential houses. 1,329 households reside in backyard or second dwelling units, implying there are an additional 3,3 households per residential A house in the area.

2.4.3 Yeoville & Bellevue (medium to high-density residential in low-rise buildings)

Yeoville and Bellevue are important residential, retail and entertainment centres. Historically cosmopolitan, the area serves as a connection between the Inner City and the northern and eastern suburbs of Johannesburg. With low-rise apartments and houses, the precinct, having been under pressure for some years, has undergone physical degradation of the public environment and some residential blocks due to inappropriate land uses and illegal activities.

Yeoville and Bellevue **saw a large increase in residential density** in the late 1990s. It hosts mostly immigrants from rural South Africa, and from Nigeria, Ethiopia, DRC, Cameroon and other African countries. A vibrant mixed-use high street along Rockey/Raleigh Street boasts formal businesses, an active nightlife, dense street trading along the sidewalks and a busy informal traders' market. A high level of crime pervades the area, mostly in the form of robberies, muggings and drug dealing.

Public sector interventions have included:

- the upgrading of the Yeoville Park;
- development of a civic node with community facilities;
- the upgrading the Yeoville Recreation Centre;
- the building of a new library in the old tram shed;
- upgrades to the swimming pool and change-rooms;
- a taxi rank;
- parking management along Rockey Street;
- infrastructure maintenance;
- by-law enforcement; and
- an economic and social development plan.

The community is actively involved in these interventions as well as many others through the Yeoville Stakeholders Forum.

See **Figure 6** and **Figure 7** below for an overview of housing circumstances in this precinct. The figures show that of Yeoville's 2,066 formal residential units are 73% flats and apartments, and 27% houses. These units accommodate 5,231 households. In flats and townhouses, just over double the number of households occupy the available accommodation units. However, 47,5% of households in flats and apartments are one and two member households. However, 47,5% of households in flats and apartments are one and two member households. Houses have 106% more households occupying them than the number of units.

Of the 1558 formal residential units in Bellevue and Bellevue East, 58% are flats and apartments and 42% houses. These units accommodate 5,554 households. Flats and apartments accommodate 244% more households than their number, with houses accommodating just under 84% more households than the number of houses. 53% of households have one or two members. An additional 1,246 households are accommodated in backyard rooms and units.

2.4.4 Greater Ellis Park, Doornfontein and New Doornfontein (Manufacturing, sports precinct, education precinct, residential area)

The Greater Ellis Park Precinct (GEPP) includes Ellis Park and overlaps into Doornfontein and New Doornfontein. The area has experienced significant urban decay, which has undermined the potential of existing educational, sporting and cultural facilities. Land uses in the GEPP include a manufacturing hub (with warehousing and light industry and a few amenities); an educational precinct (with approximately 7 800 students and predominantly institutional character); a sports Mecca precinct (the core of the Greater Ellis Park Precinct); a mixed-use

precinct (mainly manufacturing light engineering and warehousing with some office and scattered retail use); the Bertrams Heritage Cluster and mixed use in Doornfontein and New Doornfontein. The area also contains buildings with significant heritage value.

The area is highly accessible, being well served by public and private transportation, rail, bus and taxis. The precinct includes badly neglected residential and commercial buildings, industrial buildings occupied by informal settlements, interspersed with well-maintained buildings from which successful manufacturing and light industrial businesses operate. Parts of the area are congested with taxis. Taxi ranks, informal garages and car washes are mushrooming and recycling activity is prevalent in the area.

Around Doornfontein Station and Transport Square there have been a number of residential conversions from old warehousing and office space. Both the train station and taxi rank have been upgraded.

The area has seen large-scale public sector investment, driven by the FIFA 2010 Soccer World Cup with stadium development and significant public environment upgrades of taxi and rail transport infrastructure. There has also been some private investment in residential and mixed-use developments. The education precinct continues to receive a great deal of attention and investment.

2.4.5 Newtown (Newly regenerated cultural precinct)

Located to the west of the Inner City, Newtown, a former brickyard and power station, was the site of forced removals under apartheid. Over the last century, Newtown has been the subject of many urban renewal programmes. This has been possible because much of the land is owned by the City, enabling public-sector investment and renewal at scale.

A framework, collaboratively developed by architectural firms GAPP and Urban Solutions, was finally implemented, advocating Newtown as the city's official cultural precinct. The area was designed to attract a clustering of creative and culture-based industries and function as a tourist destination.

The precinct is largely mixed-use in character but caters predominantly for the cultural and entertainment industries. Many buildings in Newtown have heritage value and have undergone adaptive re-use. Access to the area was improved through the construction of the Nelson Mandela Bridge and the associated M1/Carr Street interchange. The precinct has three distinct areas: a corporate and institutional belt along the eastern boundary; a strong core of entertainment, live arts and heritage to the centre; and a mixed-use area to the west, including warehousing, light manufacturing, commercial use and recently converted loft apartments.

A variety of cultural uses have been injected into the area for music, dance and craft. There are also three major museums: The Sci Bono Centre, MuseumAfrica and the Workers' Library. Commercial developments include 1 Central Place and the conversion of Turbine Hall into head offices for Anglo Gold Ashanti. There has also been significant investment in new residential developments including the Brickfields social housing complex and loft apartments in Carr Street.

2.4.6 Inner City south-western precinct (offices with corporate core)

The south-western precinct is largely dominated by high-rise corporate office blocks, with predominantly commercial land use, interspersed with some retail, upmarket residential and more recently, leisure uses. This is an area of significant private-sector investment in the public environment. Largely dominated by financial institutions and corporate head offices with the southern part entwined in light industry and automotive uses, the southwestern precinct includes the sub-precincts of Chinatown, the Legislative Precinct, West City,

Marshalltown and Faraday. The precinct's core is predominantly occupied by commercial and corporate land uses (including the Standard Bank Super block complex, FNB's Bank City, the head offices of various mining houses and corporations such as BHP Billiton, the Chamber of Mines, Anglo Platinum, and the Zurich Re Corporation). The area accommodates A, B and C-grade office space, retail use in the north and some residential uses, comprising upmarket loft apartments and two upmarket boutique hotels. Other significant property owners and tenants include provincial and national government, the National Union of Mineworkers and the South African Revenue Services.

A large portion of the precinct is under private urban management. The SWID (South Western Improvement District) attends to safety, cleaning, marketing and maintenance in this area. Largely funded by resident corporates, over the last decade this area has been the recipient of visible urban renewal interventions in the public environment such as the upgrade and development of the Gandhi Square bus terminus and the Main Street pedestrianisation project.

Chinatown and West City still have vacant and decaying buildings as well as vacant land, illegal land uses, and some inadequate residential accommodation in the Selby Hostels and in scattered informal settlements. The upgraded Westgate Station is in need of maintenance.

The southwest is well-served by public transport with major transport facilities including Faraday, Westgate, Gandhi Square and new BRT stations.

2.4.7 Fordsburg, Vrededorp and Pageview (Heritage-rich Indian enclave)

Situated to the west of Newtown, Fordsburg, Vrededorp and Pageview were formerly suburbs occupied by coloureds, Malays, Indians, Chinese and whites in the decades before the 1970s. After demolition and removals from this area during apartheid, the suburbs never really regained their sense of identity, with untidy open patches of land remaining where houses once stood, now occupied by open-air shebeens and littered with garbage. Many land claims await final settlement, hindering development and any attempts at urban renewal.

Fordsburg has become increasingly mixed-use in character and today is a vibrant mixed-use area, home to a predominantly Indian and Pakistani residential and commercial population. Busy Mint Road, Fordsburg Square and the Plaza are anchor points and generators for this precinct. The area boasts many shops, restaurants, the Oriental Plaza complex that contains 360 stores, and two successful social housing developments to the north (Tribunal and Carr Gardens).

Further east, Vrededorp and Pageview differ from neighbouring Fordsburg in character, use and density. Both neighbourhoods are well-connected to Fordsburg and the Inner City. They have remained underdeveloped with low-density residential use occurring between vacant plots and decaying high streets.

Urban design and development frameworks have been drawn up for both Fordsburg/ Mayfair and Vrededorp/ Pageview areas and the JDA have implemented upgrades comprising new paving, lighting, and street planting.

There are plans for further upgrades including a playground at the northern end of De la Rey Street, improvements to the historic Fordsburg Square, and new gateways to the neighbourhood.

2.4.8 Inner City eastern core (cross border shopping, light manufacture with regenerated precincts)

The eastern core of the Inner City is a gritty area, characterised mainly by light manufacturing, automotive and commercial use. It is also the site of the Fashion District, Jewel City and the ABSA Campus. The area has experienced significant urban decay and vacancies since the

1990s. Today the three sub-precincts serve as anchors and catalysts for further development with the effect that a mixed-use residential and industrial precinct is starting to emerge.

The northeastern portion of this precinct is dominated by cross-border shopping hosted in former high-rise commercial spaces and former medical suites that are now internal shopping centres. It is also an emerging ethnic entrepreneurial enclave hosting multiple Ethiopian traders selling clothing and household items to people from all over South Africa and from sub-Saharan Africa.

The Fashion District accommodates 1000+ SMMEs creatively involved in the manufacture and production of fashion-related items. Uses are mainly retail and light manufacturing, a small amount of dense residential, and dense informal sector activity selling fashion-related items along the streets. Interventions have included marketing the precinct, attracting designers and manufacturers, upgrading and improving the public environment and the establishment of the Fashion Kapitol public square. Partnership with the private sector has been key, most notably with regards to the Fashion Institute and the Kapitol. A voluntary CID is also operational within the precinct.

The ABSA development covers three city blocks, and will accommodate 3 580 staff. The campus provides its own private urban management in the public environment as well as internal facilities for staff, minimising their need to find amenity and services in the surrounding city.

Jewel City is a key site for diamond cutting and related beneficiation businesses. The project was initiated by the private sector needing to create a secure environment for business. Leases and rights were obtained to close off roads and create an internally focused, high-security cluster of diamond-related activities.

Further east is the Maboneng District, a privately initiated regeneration project. Due to cheap rentals and large warehouse-type space, this part of the city is attracting creative industries, acting as an incubator. Many of these creative entrepreneurs are converting warehouses into loft apartments with studios, creating live-work space.

There is a potential for mixed use flat and rooms above retail space. Conversion of warehouses and offices.

2.4.9 Inner City central core (mixed-use with retail core)

This part of the city is mixed-use in nature and includes the Retail Improvement District, the High Court Precinct, the Carlton Centre and Small Street Mall, and developments around the Bree-Plein-Jeppe area. It is the area of the Inner City with the largest concentration of retail space. This, together with its proximity to Park Station - the largest multimodal transportation destination in Johannesburg - means that it attracts the most shoppers. The area is dense, busy, vibrant and subject to crime and grime. There is intense informal street trading, large amounts of litter and severe congestion on the pavements. Vehicular movement patterns are equally congested, and grid misalignment hampers traffic flow.

The Retail Improvement District provides private urban management (with restricted street trading) over the central area of this precinct. This area is extremely busy on weekends and is a major attraction to residents outside of the Inner City as well as cross-border shoppers.

An intensely traded retail node, with retail activity often extending to the upper floors of former office buildings, is operated by Ethiopian immigrants. Although shop rentals in this area are amongst the highest in the province, regeneration benefits have not flowed into the public environment.

The area around the High Court saw the flight of many legal firms to the north following the decline of the Inner City, resulting in vacant buildings and related failing commercial and retail

uses. Upgrade of the precinct was initially conceptualised by the private sector, implementing urban management through a CID. Property owners and legal firms that had left then expressed an interest in taking up offices in close proximity to the court for convenience, with a resulting decline in vacancy rates.

The northern sector of this precinct has seen a trend towards increased, managed residential use, with the biggest investors being AFHCO and City Property. Whilst the buildings are well-maintained and managed, there is still a need for amenity and open space to accompany these residential densities.

Public sector interventions include a piazza in front of the court, traffic calming and an enhanced pedestrian environment. Private sector investments have been concentrated on internal refurbishments attracting residents to the area. Street trading has not been effectively managed..

See **Figure 4** below for an overview of housing circumstances in this precinct.

2.4.10 Bertrams, Jeppestown and Troyeville (low-rise high-density residential area)

Bertrams is predominantly residential in nature (single dwelling units interspersed with three to four-floor walk-up apartment buildings), with a high street along which sparse retail use is located. A number of buildings in the neighbourhood have architectural heritage value. Bertrams has location to its advantage, being close enough to the Inner City for people to walk to work and school. It is also well-served by public transport with the new BRT system running along Saratoga and Bertrams Roads.

Troyeville located just south of Bertrams is predominantly residential with a fine grain of detached and semi-detached free-hold housing units. Zoning is predominantly Residential 4 and permissive with the result that different uses are often interspersed with residential use. The area has a strong sense of community and attracts many residents from the creative class such as musicians, artists and crafts-people. It also has a significant immigrant population. The area has a number of heritage buildings with cultural significance.

South of Bertrams and Troyeville is Jeppestown East. Home to mainly an immigrant and transitional community, Jeppestown East is located on the eastern edge of the Inner City and is mostly residential in nature with freehold single dwelling units. The area is home to an increasingly poor urban population and has undergone urban decay with shack farming increasingly visible in the neighbourhood. Houses are often illegally occupied and/or sublet, resulting in overcrowding and strain on unmaintained infrastructure and services. There is also an informal settlement north of Goch Station. The area does not display a strong sense of community although there are some FBOs working to establish community organisations.

Jeppestown West still contains largely industrial buildings and warehousing and is zoned Industrial 1. The area is under threat with old industrial buildings being invaded illegally for residential purposes. The Wolhuter Mens hostel is also crowded.

A number of urban design frameworks have been proposed for the area. Public sector interventions include the upgrading of the Troyeville community park, (now David Webster Park) and the Maurice Freedman Park, the development of five soccer fields, and the purchase of a Bertrams block comprising 24 properties intended as a catalytic development, and the upgrading of Jeppe Station. Both TUHF and the JHC have been active in residential rehabilitation. The neighbourhood is well-served by the BRT and feeder public transport.

See **Figure 8** below for an overview of housing circumstances in this precinct. The figure indicates that 6,904 households in this area are housed in 188 houses (94) and flats (94) and other commercial buildings, either converted or not. In total, these units carry over double the number of households, but what is most notable is the high number of single person households and the occupation of commercial buildings by residents. This area also has a large

number (over 1,000) of backyard residents. However, given the nature of the area, these are more likely to be informal settlements on properties, rather than ordered backyards by private residents.

2.4.11 Industrial Belt (Industrial area)

The industrial belt, running east-west through the Inner City, incorporates some of the oldest industrial areas in Johannesburg, namely Selby, Benrose and Denver. The area today includes an amalgam of industrial, service, retail, and, in some cases, residential uses operating out of typically older industrial buildings in crowded conditions. There is still a substantial share of companies engaged in manufacturing, and these companies tend to be labour-intensive. As such, they are important economic anchors for the Inner City, providing employment opportunities for people commuting from Soweto and areas to the south.

The area offers industrial users affordable building space, making the area attractive to emerging industrial businesses. There is some debate as to whether small labour-intensive industries should be retained, or whether the area should be devoted to distribution facilities.

Benrose is a well-established industrial area north of the M2 and south of Main Reef Road, located towards the eastern boundary of the study area. Part to the success of this area is the existence of an improvement district run by a local management organisation controlling access, security, informal trade and cleaning of the public environment.

The mine dump that accommodated the famous Topstar Drive-In in Selby is currently being re-mined. Crown Gold Recoveries (CGR), a subsidiary of DRD Gold, initiated retreatment of the old mine dump in late December 2008.

2.4.12 The railway seam- Park Station and surrounds

The railway tracks that separate Braamfontein from the core CBD are key to the vitality of the Inner City, offering commuter and freight services that feed the city's economy. Spatially this is a commuter corridor with a wide variety of commuter services. It is a key gateway to the Inner City. However the area suffers from haphazard arrangements of land use, from poorly connected facilities, from inadequate facilities to service the in-city and long distance commuter needs, and from underutilised opportunity for intensification of development. This area has been identified for intermodal facilities, for the development of a large Inner City park, for infill housing, for upgraded pedestrian walkways and for a range of commuter service improvements.

See **Figure 4** below for an overview of housing circumstances in this precinct.

Figure 4: Braamfontein, Hillbrow Inner City Core –Housing Circumstances

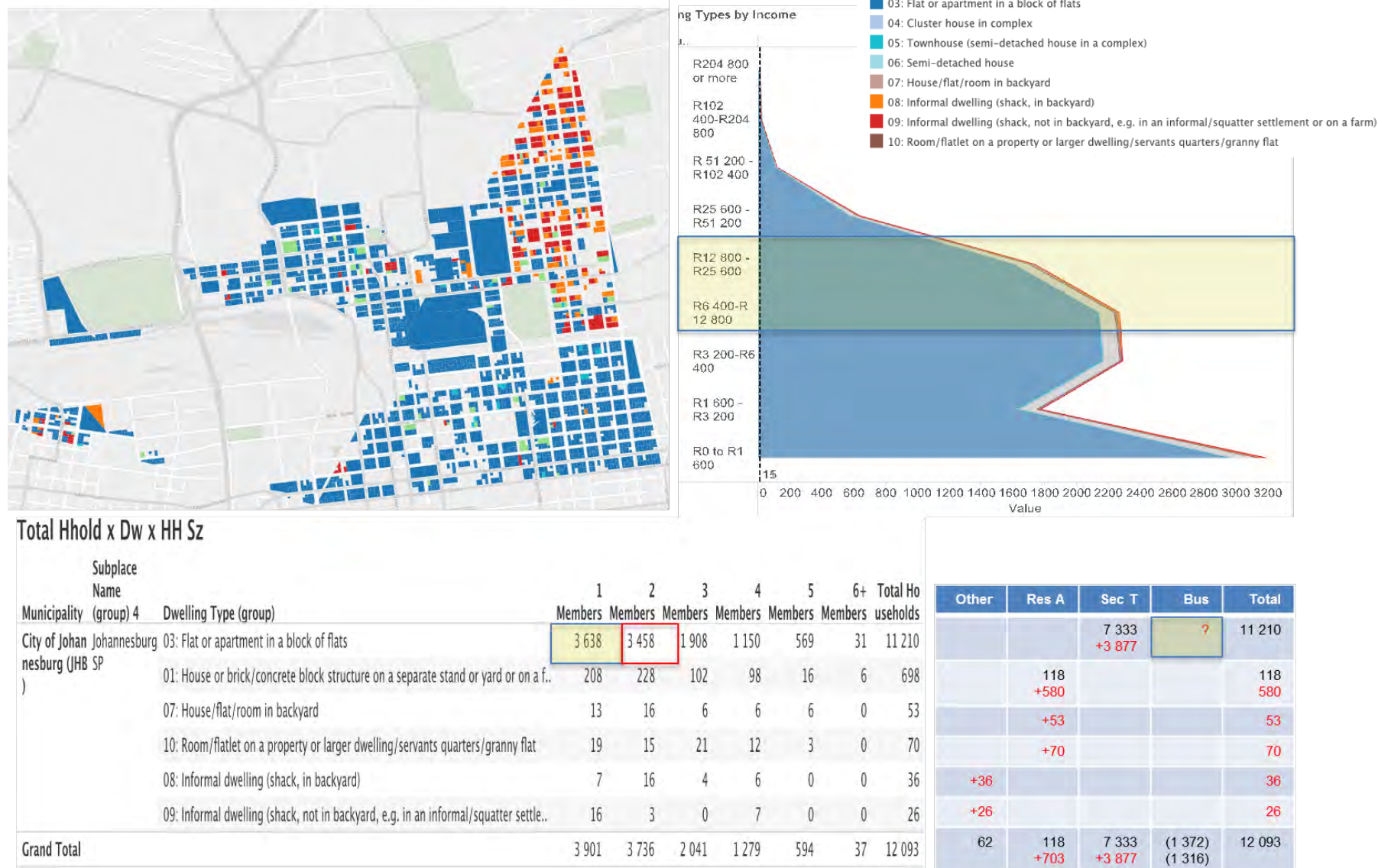


Figure 5: Berea –Housing Circumstances

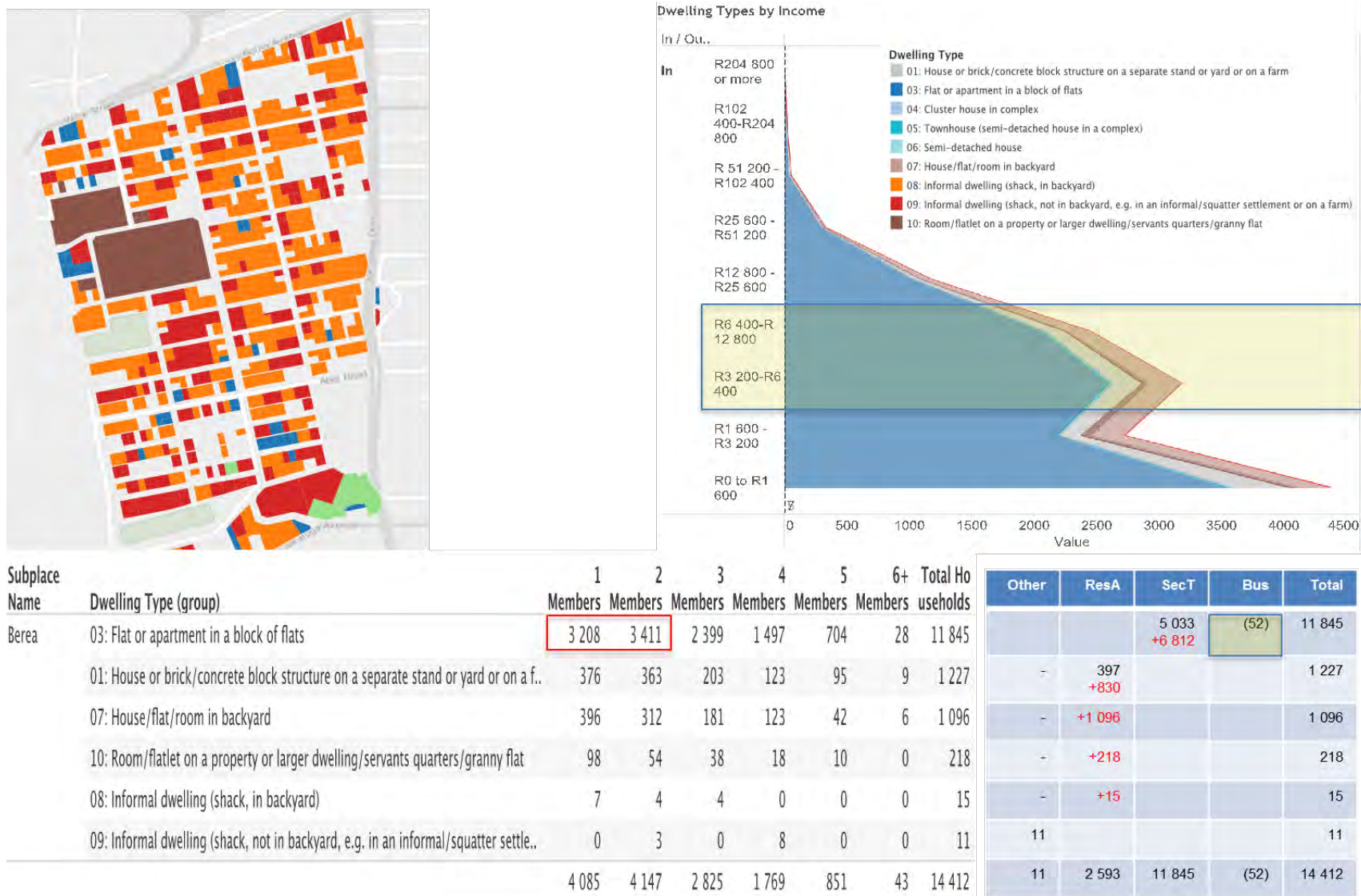


Figure 6: Yeoville – Housing Circumstances

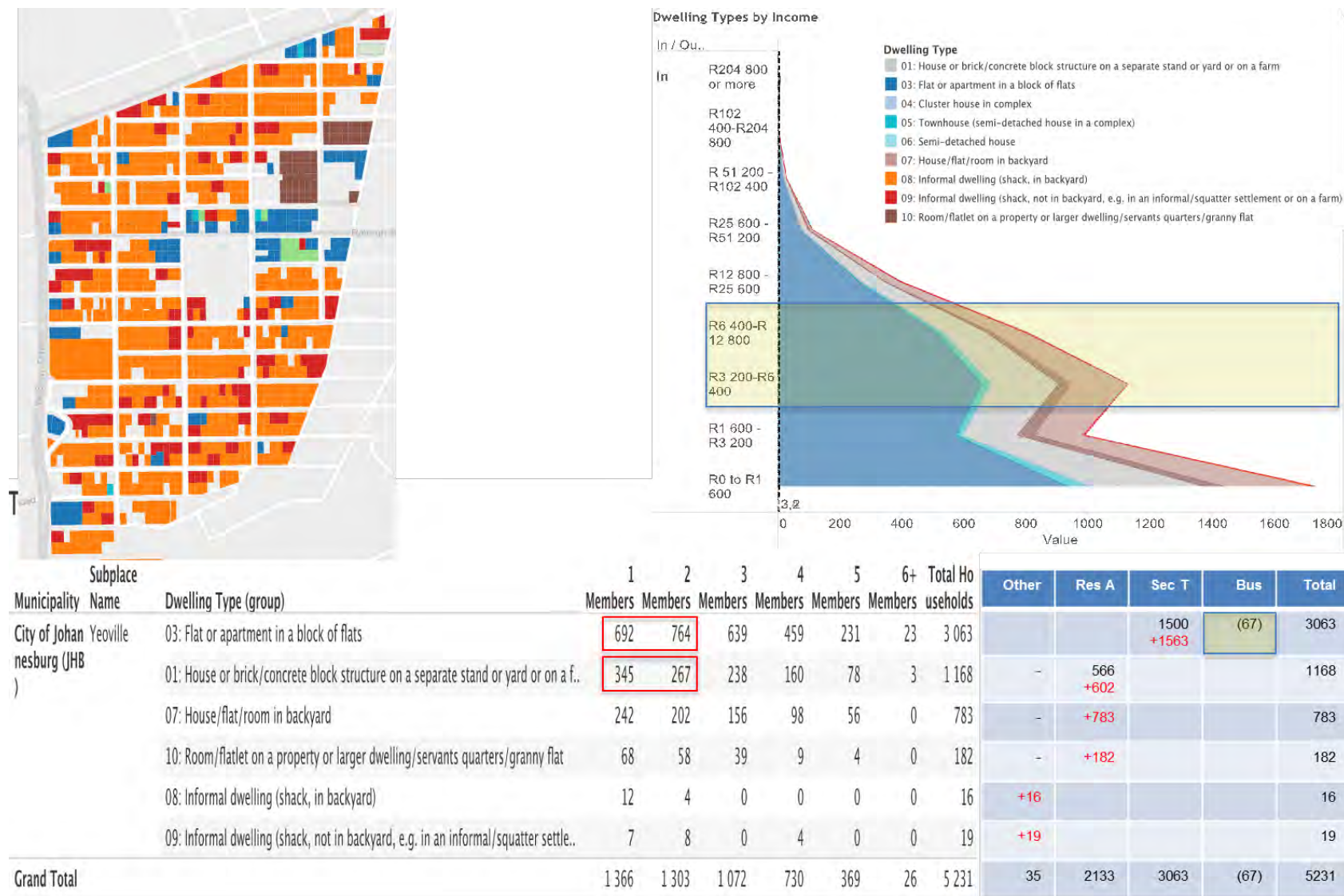


Figure 7: Bellevue / Bellevue East – Housing Circumstances

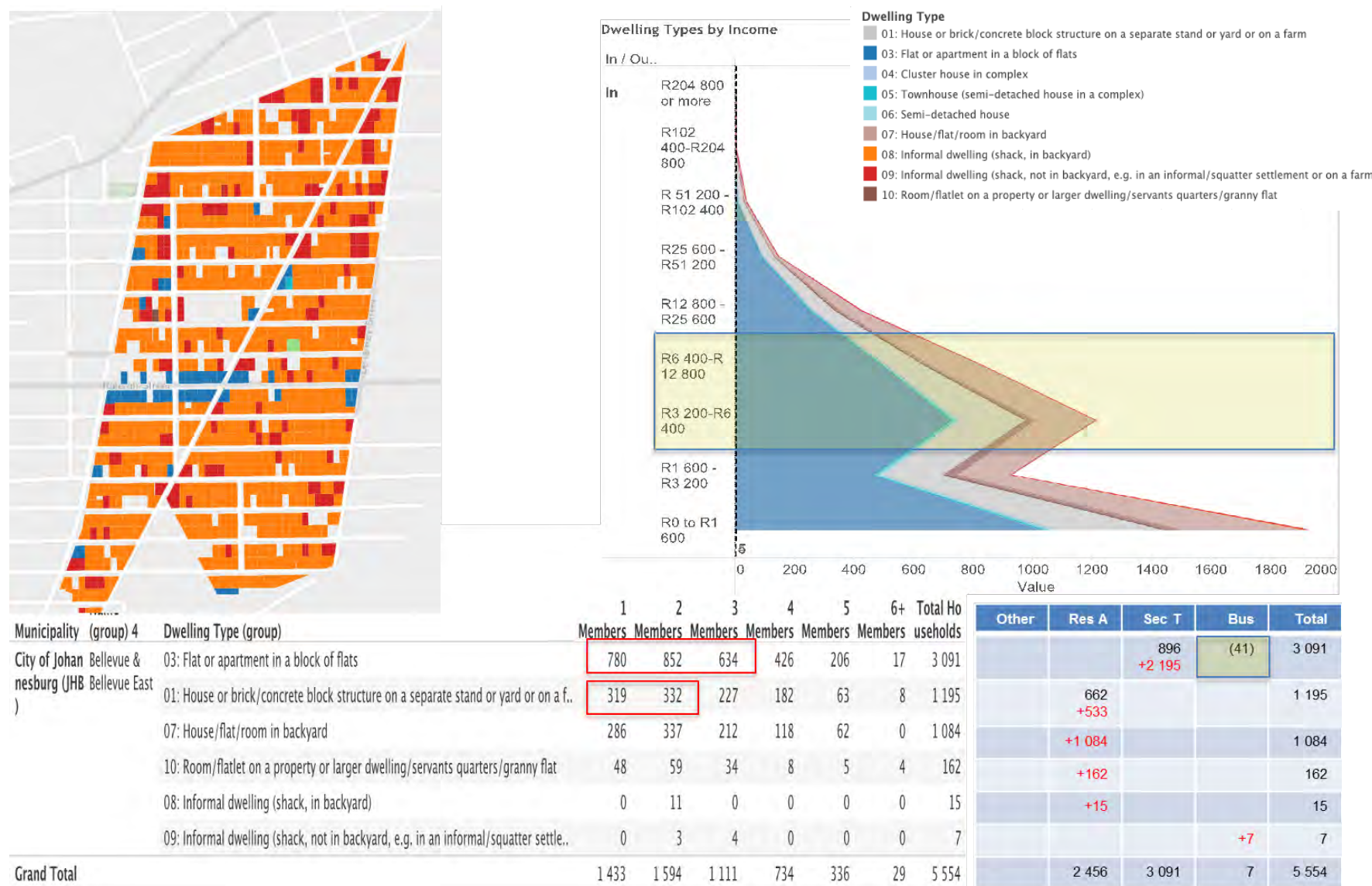
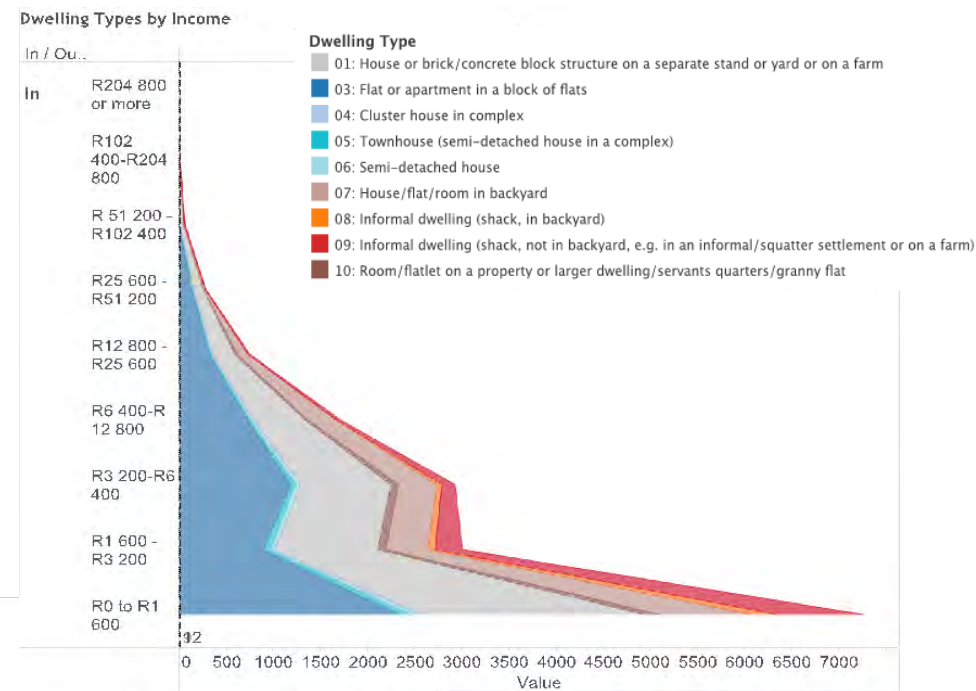


Figure 8: Bertrams / Jeppetown – Housing Circumstances



Total Hhold x Dw x HH Sz

Municipality	Subplace Name	Dwelling Type (group)	1 Members	2 Members	3 Members	4 Members	5 Members	6+ Members	Total Households	Other	Res A	Sec T	Bus	Total
City of Johannesburg (JHB)	Droste Park, Fairview, Jeppetown and 2 more	03: Flat or apartment in a block of flats	389	344	280	195	123	11	1 421			94	(812)	94
		01: House or brick/concrete block structure on a separate stand or yard or on a f..	1 312	1 008	580	388	206	15	3 694		94			94
		07: House/flat/room in backyard	347	260	134	98	22	0	910		+100		+3500	3600
		10: Room/flatlet on a property or larger dwelling/servants quarters/granny flat	83	43	22	7	6	0	164		+910			910
		08: Informal dwelling (shack, in backyard)	181	118	20	17	6	0	345		+164			164
		09: Informal dwelling (shack, not in backyard, e.g. in an informal/squatter settle..	185	97	71	10	3	0	370				+345	345
													+370	370
Grand Total			2 497	1 870	1 107	715	366	26	6 504		1268	194	5442	6904

3 Housing Demand and Supply

This section aims to quantify the indicative demand for affordable housing as well as supply in the Inner City. Its key source is the Census 2011 data. Given the lack of reliable and consistent data and the absence of any large-scale statistically sound household survey's this analysis must be treated as indicative only.

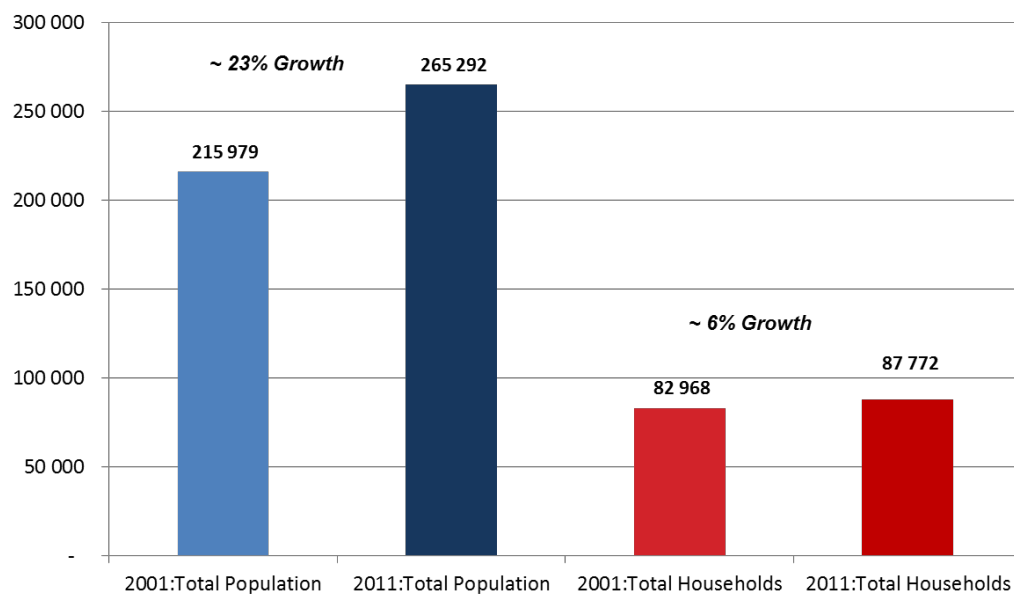
Its purpose is firstly to provide some guidance as to the scale of the problem and secondly to provide indications as to the areas where effort (focus / prioritisation) needs to be applied.

3.1 Housing Demand

Indicated below is analysis of the available 2011 census data in respect of the Inner City.

3.1.1 Population & Household Growth

Figure 9: Inner City Population and Household Growth Rates, 2001-2011



Source: Census StatsSA 2011, Small Area Data – own analysis

Notes: Inner City areas included in the analysis includes the following sub-places: Judith's Paarl; Randview; Bellevue East; Bellevue; Yeoville; Berea; Highlands; Lorentzville; Bertrams; New Doornfontein; Doornfontein; Hillbrow; Johannesburg SP; Vrededorp; Troyeville; Fairview; Jeppestown; Malvern; Denver; Benrose; Wolhuter; North Doornfontein; City and Suburban; Marshalltown; Ferreirasdorp; Newtown; Fordsburg; Pageview; Crown North; Selby; Village Main Reef Gold Mine; Droste Park

Notable in the data are two implications for potential demand:

- The above national average population growth suggesting continued and rapid urbanization and influx into the Inner City;
- Growing average household sizes (up from 2.6 to 3 members per household from 2001 to 2011), suggestive both a changing composition of the population (i.e. families versus singles - see more below) as well as being indicative of an accommodation shortage particularly in the required range for low income people (as evidenced by high incidence of sharing arrangements).

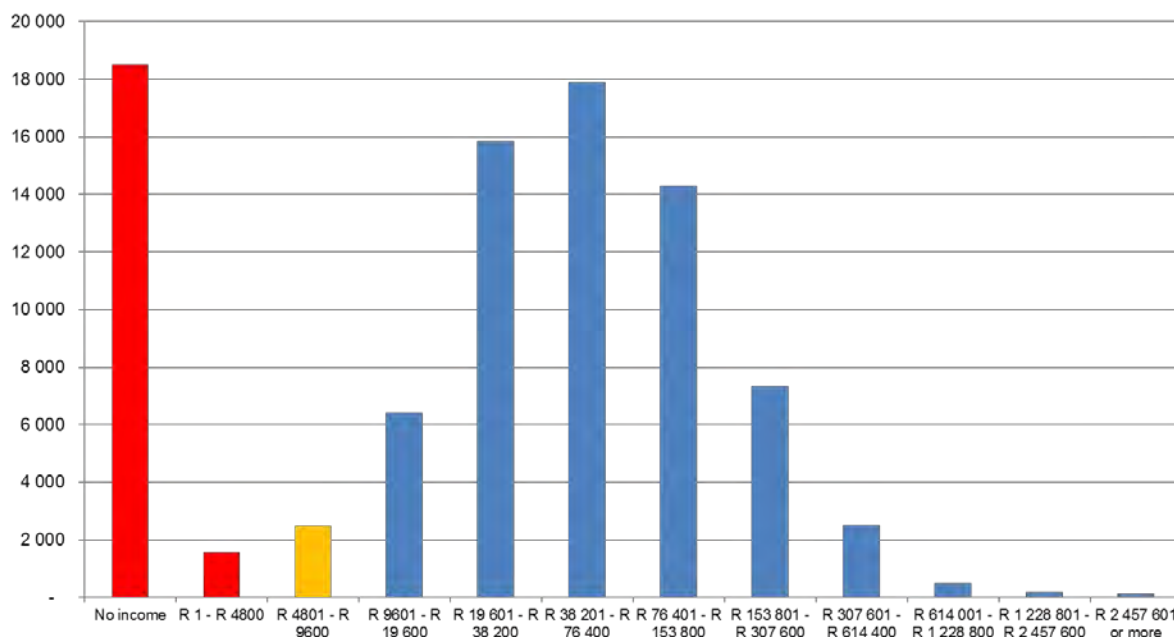
3.1.2 Household Incomes

As indicated in the figure below, the Inner City population is increasingly lower-middle income and employed but with a large number of very poor households. Based on the Census data there were some 22,000 households (or approximately 66,000 people) in 2011 that declared income of less than R9,600 per annum (~R800/mth), with 75% of those 22,000 households indicating no income.

However caution must be exercised when interpreting this data – household incomes are notoriously under-reported in surveys, while the international economic literature strongly indicates that Inner City incomes are generally higher than national averages because of the highly commodified (cash-based) economy. Additionally, as set out further below, our own limited fieldwork suggests that, with few exceptions,, nobody is currently staying in any formal accommodation in the Inner City without paying rent.

Improved means of determining affordability and willingness to pay for accommodation must be sought in order for this data to be refined on an ongoing basis.

Figure 10: Inner City Households by Annual Income Band (2011)



Source: Census StatsSA 2011, Small Area Data – own analysis

Notes: Inner City areas included in the analysis includes the following sub-places: Bellevue, Bellevue East, Benrose, Berea, Bertrams, City and Suburban, Crown North, Denver, Doornfontein, Fairview, Ferreirasdorp, Fordsburg, Hillbrow, Jeppestown, Johannesburg SP, Judith's Paarl, Lorentzville, Marshalltown, New Doornfontein, Newtown, North Doornfontein, Pageview, Selby, Troyeville, Vrededorp, Wolhuter, Yeoville.

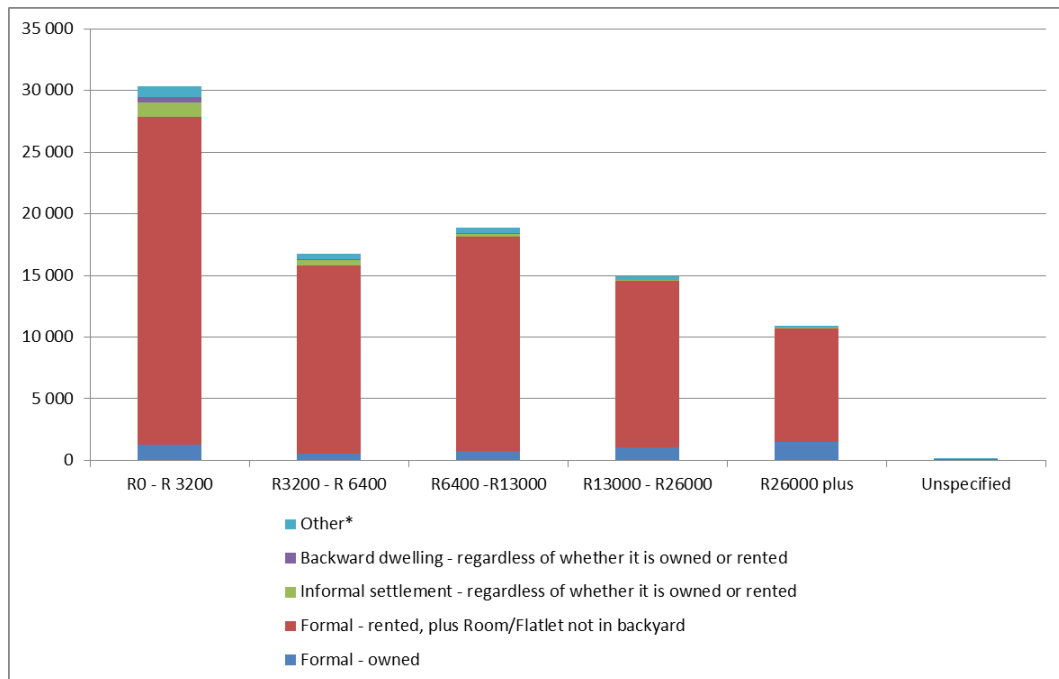
3.1.3 Housing Circumstances

This section interrogates the 2011 census data to provide a profile of incomes and housing typologies inhabited by residents of the Inner City.

Table 1: Number of Householder by Annual HH income, Dwelling Type and Tenure

	R0 - R 3200	R3200 - R 6400	R6400 - R13000	R13000 - R26000	R26000 plus	Unspeci fied	Total
No. of Households							
Formal - owned	1 299	569	770	1 029	1 515	20	5 202
Formal - rented, plus Room/Flatlet not in backyard	26 549	15 253	17 378	13 510	9 193	110	81 993
Informal settlement - regardless of whether it is owned or rented	1 182	385	187	61	38	2	1 855
Backward dwelling - regardless of whether it is owned or rented	444	139	100	32	19	1	735
Other*	891	426	420	279	156	4	2 176
Total	30 365	16 772	18 855	14 911	10 921	137	91 961
% Across HH Incomes							
Formal - owned	4%	3%	4%	7%	14%	15%	6%
Formal - rented, plus Room/Flatlet not in backyard	87%	91%	92%	91%	84%	80%	89%
Informal settlement - regardless of whether it is owned or rented	4%	2%	1%	0%	0%	1%	2%
Backward dwelling - regardless of whether it is owned or rented	1%	1%	1%	0%	0%	1%	1%
Other*	3%	3%	2%	2%	1%	3%	2%
Total	100%	100%	100%	100%	100%	100%	100%
% Across Housing Circumstances							
Formal - owned	25%	11%	15%	20%	29%	0%	100%
Formal - rented, plus Room/Flatlet not in backyard	32%	19%	21%	16%	11%	0%	100%
Informal settlement - regardless of whether it is owned or rented	64%	21%	10%	3%	2%	0%	100%
Backward dwelling - regardless of whether it is owned or rented	60%	19%	14%	4%	3%	0%	100%
Other*	41%	20%	19%	13%	7%	0%	100%
Total	33%	18%	21%	16%	12%	0%	100%
* includes Traditional dwellings, Hostels, Caravans and Tents Source: Census StatsA 2011, Small Area Data – own analysis Notes: Inner City areas included in the analysis includes the following sub-places: Bellevue; Bellevue East; Benrose; Berea; Bertrams; City and Suburban; Crown North; Denver; Doornfontein; Droste Park; Fairview; Ferreirasdorp; Fordsburg; Highlands; Hillbrow; Jeppestown; Johannesburg SP; Judith's Paarl; Lorentzville; Malvern; Marshalltown; New Doornfontein; Newtown; North Doornfontein; Pageview; Randview; Selby; Troyeville; Village Main Reef Gold Mine; Vrededorp; Wolhuter; Yeoville							

Figure 11: Number of Householder by Annual HH income, Dwelling Type and Tenure



* includes Traditional dwellings, Hostels, Caravans and Tents

Source: Census StatsA 2011, Small Area Data – own analysis

Notes: Inner City areas included in the analysis includes the following sub-places: Bellevue; Bellevue East; Benrose; Berea; Bertrams; City and Suburban; Crown North; Denver; Doornfontein; Droste Park; Fairview; Ferreirasdorp; Fordsburg; Highlands; Hillbrow; Jeppestown; Johannesburg SP; Judith's Paarl; Lorentzville; Malvern; Marshalltown; New Doornfontein; Newtown; North Doornfontein; Pageview; Randview; Selby; Troyeville; Village Main Reef Gold Mine; Vrededorp; Wolhuter; Yeoville

The data indicate that as at 2011 there were some 92,000 households in the Inner City (which includes the sub-places as noted above), of which:

- 89% (some 82,000 households) are renting
- 6% (some 5,200 households) own their dwellings;
- 2% (some 1,855 households) are living in informal circumstances
- 2% (some 2,176 households) are living in a range of the circumstances which includes hostels

As opposed to the national or even provincial data it is evident that in the Inner City there is a very low level of ownership (for instance in Gauteng ownership levels are some 39%) and relatively few informal settlements (against Gauteng's 11% for instance). This is unsurprising in a high-rise and high density context that is a reception area for cross border and internal migrants and along with the inner cities of many international cities is a place of transition to other areas or of high levels of mobility within the same centrally located neighbourhoods.

What the data does not and cannot show is the overall level of overcrowding and substandard accommodation being occupied. However based on our analysis of selected precincts – looking Census household data against registered erven / properties and account holders supplied by the CoJ (see **Figures 4 to 8** above)– the following is noticeable:

- Braamfontein/ Hillbrow: 7,333 apartments for 11,210 households; 118 RES A units for 703 households
- Berea: 5,033 apartments for 11,845 households; 397 Res A units for 2,196 households

- Yeoville: 1,500 apartments for 3,063 households; 566 Res A units for 1,567 households
- Bellevue / Bellevue East: 896 apartments for 3,091 households; 662 Res A units for 1,794 households
- Bertrams / Jeppestown: 94 apartments for 194 households; 94 Res A units for 1,174 households and some 5,442 household living in commercial / industrial properties (some of which may have been formally converted to residential)

Based on the sample of these 5 precincts it is evident that in respect of apartments the number of households exceeds the number of registered units by almost 100% in respect of Res A properties the same data indicates over 300% more households than there are properties.

The implication of this is that the Inner City faces a critical intensification of densities in many areas. While some of this overcrowding is undoubtedly a contributor to health and safety issues much of it is driven by the lack of suitable affordable supply and households needs to reduce accommodation costs (i.e. make it more affordable) by sharing spaces.

Unfortunately what the data does not show is the general building condition – that requires an individual building by building audit on the part of the CoJ. Nevertheless our own fieldwork does reveal a number of severely slummed and compromised buildings in areas including Doornfontein and Jeppe.

3.1.4 Key Informal Market Dynamics

Housing is being supplied to the poor in the Inner City. It is being supplied informally and through the repurposing of residential and other spaces in ways that they were not designed for. But this is catering to a population that is making a lifestyle choice to live in the Inner City in various household configurations that range from singles, to couples to families to groups sharing with people they know and to strangers living together. The periods of stay vary.

These accommodation typologies are responding to an Inner City where many may not be choosing to live in the space for the long-term or to invest in it. Whether they come from surrounding townships of Johannesburg, from small towns, from rural areas or from countries across the borders of South Africa, they are in the Inner City to access opportunity for employment or services. These are new community formations. Formations of people who may well not want to stay permanently in the Inner City. Their choice to be there is no less valid than the choices of those who wish to and do make it their home.

It is instructive to examine the conditions in which people are living in less formal accommodation in order to understand the housing demand in terms of the needs and priorities of residents living less formally, as well as the costs and options that have been created as a response to that demand.

The following findings from desktop literature and fieldwork conducted for this study offer pointers to tailoring appropriate responses to current housing demands in the Inner City. This section outlines the findings with respect to demand, while the findings with respect to supply follow in the next section.

The market is sensitive, intelligent and responsive. There is high churn in the informal market as people move to accommodation that is even slightly cheaper for the same or a better quality of accommodation.

Subletting of space is common and extremely limited space is rented out at significant costs. A doorway space or simple bed space is the most limited accommodation available and rents at minimum of R500 per month.

Inner-city accommodation often doubles as a space for informal trading. Policy thus needs to find a way of dealing with illicit activities taking place in such buildings (such as drug-dealing), without eradicating other forms of trading (e.g. hair salons and cell phone repairs) which ultimately constitute people's incomes.

There are sophisticated networks of housing supply and management in the Inner City that enable management of units while providing an income for people who act as caretakers, brokers and rent collectors of spaces. These systems increase the efficiency of the market for the poor and enable access to and informal regulation of space. Formalised regulation of such arrangements would be complicated, would not provide much benefit to the City and would likely exclude many who benefit from the systems. Rather it is important to respond to these market innovations and to support the beneficial aspects while minimising exploitation. The City's focus needs to be on building conditions and management of building stock.

Information on building owners and on systems of municipal service charges is not transparent in this market and tenants may have difficulty finding out who legitimate owners are.

3.1.5 Demand Side findings

On the basis of our data review as well as fieldwork a number of conclusions can be drawn in respect of Inner City housing demand:

- Internal and cross-border migrants form a large portion of the low-cost housing market, and formalized system checks and rules related to asylum seekers (whose Home Affairs papers have to be renewed every few months and thus provide no security for migrants to sign tenant leases) exclude large parts of the population from accessing affordable accommodation. City-level policy is required to specifically address this problem.
- Many economic migrants require single, low-cost rooms, as opposed to accommodation for a family. Economic migrants also require flexible rental arrangements, as they move around depending on the availability of employment opportunities, and housing policy should also take this need for flexibility into account. There is a high demand for low cost rooms including communal rooms with shared facilities.
- Many inner-city residents work in the informal sector and thus do not always have access to reliable and consistent forms of income. The cost of accommodation and the requirement (or lack thereof) of a deposit are thus factors that influence housing decisions.
- Access to transportation and the associated commuting costs play a crucial role in accommodation choices. Proximity to economic opportunities and accessibility to affordable transportation is an important consideration.
- Social and family ties play an important role in assisting new migrants to find accommodation in the inner-city. But many new migrants lack social and family ties within the inner-city. Transparent, easily accessible information is required to enable new comers to access accommodation.
- The safety and security of vulnerable groups, such as women, children and migrants, within the inner-city are of concern. Building level access controls as well as lights and high levels of urban management in the public space increase safety in the urban environment have been highlighted as important interventions to improve a sense of safety.
- Demand for accommodation can be sudden and immediate due to the precariousness of poor people's lives. Indeed, unexpected changes may include pregnancy, redundancy, and illness. Policy ought to be able to respond and adapt to short-term changes in demand, while simultaneously addressing longer term needs.

- Income is often subject to volatile changes as many people engage in piecework, which means that income is unpredictable. The unpredictability of service charges worsens this uncertainty.
- The fieldwork (interviews of 150 people) suggests that people are paying prices of around R800-R1200 for a space to share in a room with services. Single rooms for one person are being let at above R1500 and up to R2200. Shared bedrooms with several occupants are being let at prices from R2000 per month with some rentals for large shared rooms being as high as R3500 per month (for the whole room). People are charging amounts of R500-R800 for a bedshare. Backyard units are being rented at varying prices. Many cost around R1000 per month. And a shared space in a backyard unit commands R500 per month. (This information is based on a random dipstick fieldwork study. It is not based on a sampled survey and must be treated as anecdotal)
- Access to accommodation is not simply about income, but is also a question of barriers to access. Barriers to access may include lack of the necessary documentation (e.g. asylum papers, identification documents, and bank statements); disability (many buildings turn away the disabled or are inaccessible to the disabled); being a non-national (and thus not having access to state grants); and lack of information regarding informal low-cost accommodation. The housing response needs to ameliorate such barriers to access.

3.1.6 Estimating Potential Demand

It is important to note the inherent limitations of the Census data. Underreporting of income is a well-established concern that is not easily addressed.

Recent research by SERI (see Text Box below) below estimates that there are some 34,000 households who earn less than R 3,200 per month. An ongoing challenge with such data is that the boundaries of the "Inner City" are not always consistent across different data sets, and more critically in respect of our approach, do not take into account an analysis of accommodation circumstances and tenure. In short the danger is that an assumption is made that all households earning less than R 3,200 per month are in need of a housing intervention. Our data (as indicated here) suggests otherwise, and calls for more careful and nuanced set of interventions.

Text Box 1: 2013 SERI Study

Analysis of the Supply of and Demand for Low-Income Rental Accommodation in Inner City Johannesburg

Demand for Low-Income Rental Accommodation

Most state housing assistance in South Africa is targeted at households earning less than R3 500 per month, which are defined as low-income households. For the purpose of this section, low-income households are defined as those earning between R1 500 and R3 500 per month, while poor households are defined as those earning less than R1 500 per month. The affordable rental range, calculated as 30% of monthly income spent on rental and services, is therefore roughly between R0 and R1 050 per month.

According to a 2008 report, in Inner City Johannesburg demand for accommodation is extremely high, particularly at the 'bottom end' of the income ladder. It is estimated that the demand for rental housing is around 317 000 units, with 81 000 units in the R1 500 to R3 500 income band. (Urban LandMark and SHF "Small-Scale Private Rental" pp. 31-32.) Private landlords offering more affordable accommodation in the Inner City do not have to look for tenants. Demand in that market is characterised by property owners as 'insatiable', 'a bottomless pit' and rentals have increased significantly over the past few years. The residential vacancy rate in Inner City Johannesburg is around 1%.

According to Stats SA's 2001 Census, there were 20 515 households – approximately 78 000 people – living in the Inner City of Johannesburg with an income of below R3 200 per month in 2001. Ten years later the

2011 Census shows that there are now 33 861 households – approximately 121 899 people - living in the Inner City who earn below R3 200 per month. This means that over 49% of households in the Inner City earn less than R3 200 per month. As evident from the table below, between 2001 and 2011 there was a sizeable increase in households with no income as well as those with a monthly income between R1 601 and R3 200. According to Census 2011, approximately 14 308 households in the Inner City earn between R3 500 and R7 500 per month, falling into the upper-end of the social housing bracket. They represent 21% of the total number of households in the Inner City. Another 11 746 households earn between R6 366 and R12 816 per month, representing 17% of the total number of households. Clearly, the highest demand in the Inner City is from households earning less than R3 200 per month, which would imply a rental of R960 per month and less.

MONTHLY HOUSEHOLD INCOME AND RENTAL AFFORDABILITY IN INNER CITY JOHANNESBURG

Monthly household income	Monthly rental affordability (30% of income spent on housing)	Number of households in Region F (Inner City) 2001	Number of households in Region F (Inner City) 2011	Increase or decrease in the number of households	Percentage (%) change
None	R0	6 919	13 778	6 859	99%
R1 – R400	R0 – R120	826	1 099	273	33%
R401 – R800	R121 – R240	2 635	1 786	- 849	32%
R801 – R1600	R241 – R480	5 040	4 721	- 319	6%
R1601 – R 3200	R481 – R960	5 095	12 474	7 379	44%
TOTAL		20 515	33 858	13 343	65%

Source: SERI (2013), *Minding the Gap: An Analysis of the Supply of and Demand for Low-Income Rental Accommodation in Inner City Johannesburg*

Anecdotal and related research suggests that most Inner City dwellers have some form of income – whether from formal or informal work. Furthermore it is well-established that with exception of the most extreme circumstances (e.g. abandoned burnt out buildings etc.), all Inner City households do pay some rent to a land lord – whether formal or informal.

The fieldwork conducted for this study has found that almost all tenants are paying for their accommodation and that few are paying below R800 per month for a space to live.

In order to address these concerns a more fine-grained analysis of the available census data has been undertaken. This provides additional insight into the most deprived households. As indicated in the table below households - based on their income as well as accommodation occupied - have been risk-rated.

This indicates that some 47,000 households can be considered at risk in view of their very low incomes and the nature of the accommodation they occupy. *However this is not to imply that all of these households require intervention.* Based on our fieldwork a substantial amount of this accommodation – while not in full compliance with City bylaws – is adequate and meets the affordably requirements of Inner City households. The caution that must be exercised is not to create further problems on the basis of rash policy decisions.

Table 2: Inner City Households at Risk

<i>Risk Category</i>	<i>Very High</i>		<i>High</i>	<i>Medium</i>		<i>Low</i>			
<i>Monthly Income</i>	R0 - R800	R800- R1 633	R1 633- R3 183	R3 183- R6 367	R6 367- R12 817	R12 817- R25 633	R25 633- R51 167	R51 167 plus	Total
Houses - Owned	449	161	260	317	414	353	249	138	2 341
	2%	2%	2%	2%	3%	5%	10%	27%	3%
Houses - Rented or Occupied Rent-Free	4 665	1 382	2 918	2 943	1 740	774	311	85	14 818
	24%	20%	17%	16%	12%	10%	12%	17%	16%
Flats - Owned	423	149	252	380	503	390	207	72	2 376
	2%	2%	2%	2%	3%	5%	8%	14%	3%
Flats - Rented	13 787	3 860	10 506	12 673	10 604	5 445	1 675	492	59 042
	72%	56%	63%	67%	71%	72%	64%	96%	64%
Backyard Unit*	2 486	815	2 036	1 971	1 352	535	117	43	9 355
	13%	12%	12%	10%	9%	7%	5%	8%	10%
Backyard Shack & Informal Dwelling & Traditional Dwelling	1 587	437	740	507	253	103	37	23	3 687
	8%	6%	4%	3%	2%	1%	1%	5%	4%
Other **	141	39	66	69	50	11	3	2	381
	1%	1%	0%	0%	0%	0%	0%	0%	0%
Total	23 538	6 843	16 778	18 860	14 916	7 611	2 599	855	92 000
	122%	100%	100%	100%	100%	100%	100%	167%	100%

Notes: * These are formal structures in the backyard which may or may not meeting building code requirements or have services connections; ** includes Traditional dwellings, Hostels, Caravans and Tents (majority are presumed to be hostels in the inner city)

Noting all of the limitations of the data, an estimate of the potential demand for new or improved accommodation in the Inner City has been undertaken that taking into account our fieldwork and other research. Our assumptions in undertaking this estimation are set out in the table below. Two scenarios – Low and High – are indicated.

Table 3: Inner City Accommodation Potential Demand Estimate Assumptions (Low and High Scenarios)

Housing Circumstances	Total No. of Households Incomes < R3,000/mth	Low Scenario		High Scenario		Notes
		% Estimate that Require Intervention	# of Households / Units of Accommodation	% Estimate that Require Intervention	# of Households / Units of Accommodation	
Houses - Owned	870	0%	-	0%	-	
Houses - Rented or Occupied Rent-Free	8 965	20%	1 793	50%	4 483	Overcrowding and sub-standard buildings to be addressed
Flats - Owned	824	0%	-	0%	-	
Flats - Rented	28 153	40%	11 261	80%	22 522	Overcrowding and sub-standard buildings to be addressed (includes main SPRE requirement) ²
Backyard Units	5 337	0%	0	20%	0	
Backyard Shack & Informal Dwelling & Traditional Dwelling	2 764	100%	2 764	100%	2 764	All informal accommodation solutions require intervention
Other (assumed to be Hostels)	315	100%	315	100%	315	All hostels require intervention
Total	47 228		16 133		30 084	

Overall the estimate is that some 16, 133 (low scenario) to 30,084 (high scenario) households are at risk (living in poor or overcrowded conditions) and require a public-sector initiated

² While there is no good primary data available in respect of overcrowding an analysis undertaken of the number of households against the number of units (properties) registered in the City's rates database provides insight into the high degree of overcrowding prevalent in most of the inner city residential areas. A summary is provided below (the more detailed data can be seen above in Figures 4, 5, 6, 7 and 8. It should be noted that households could comprise 1 person households up to 10 people households.

Area	Households	Units	% Overcrowded
Braamfontein, Hillbrow and IC Core	12 031	7 451	161%
Berea	14 386	5 430	265%
Yeoville	5 196	2 066	252%
Bellevue & Bellevue East	5 532	1 558	355%
Bertrams	6 189	1 000	619%
Total	43 334	17 505	248%

Source: StatsSA Census 2011, CoJ Rates Database 2012/13, own analysis

accommodation intervention, given that the formal / regulated property market is unlikely to supply this need without public support.

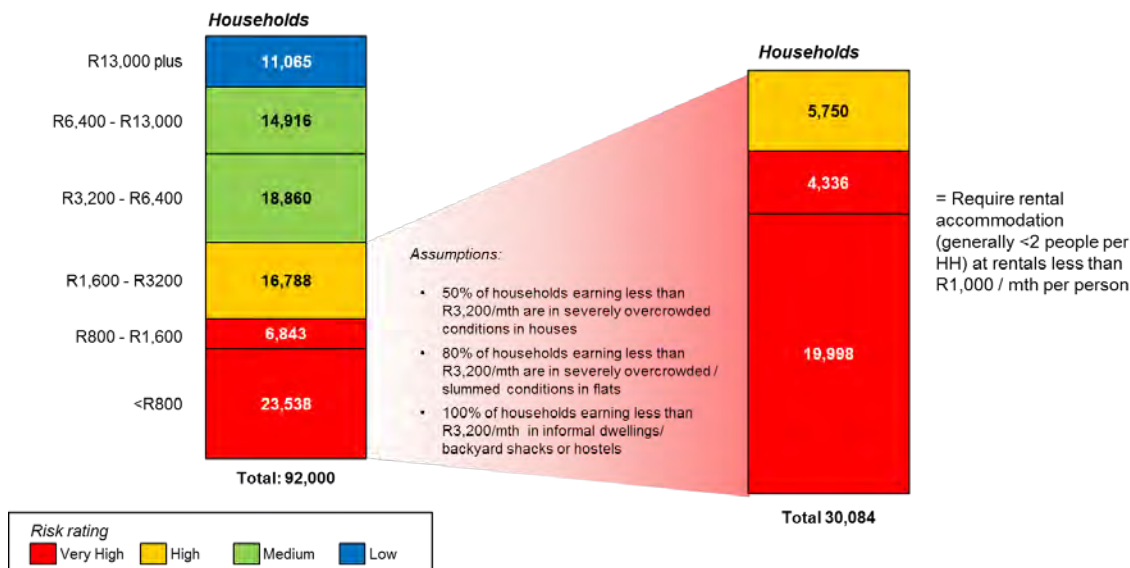
It should be noted that in applying these assumptions to the available household data we have assumed that the lower the income of the households the greater the likelihood that intervention / support is required. As a consequence the "allocation" that results from the application of the above % estimates ("intervention required") is applied sequentially from the lowest household income upwards until the "quota" is filled.

Given the above assumptions the potential Inner City demand estimate for the high scenario is set out in the table below.

Table 4: Accommodation Potential Demand Estimate (based on 30,084 households at risk), High Scenario

<i>Risk Category</i>	<i>Very High</i>		<i>High</i>	
<i>Monthly Income</i>	<i>R0 - R800</i>	<i>R800-R1 633</i>	<i>R1 633-R3 183</i>	<i>Total</i>
Houses - Owned	0	0	0	0
	0%	0%	0%	0%
Houses - Rented or Occupied Rent-Free	4 483	0	0	4 483
	22%	0%	0%	15%
Flats - Owned	0	0	0	0
	0%	0%	0%	0%
Flats - Rented	13 787	3 860	4 875	22 522
	69%	89%	85%	75%
Backyard Unit	0	0	0	0
	0%	0%	0%	0%
Backyard Shack & Informal Dwelling & Traditional Dwelling	1 587	437	740	2 764
	8%	10%	13%	9%
Other (incl. Hostels)	141	39	135	315
	1%	1%	2%	1%
Total	19 998	4 336	5 750	30 084
	100%	100%	100%	100%

Figure 12: Inner City Accommodation Intervention Requirement (No. of Households) By Monthly Household Income Band, High Scenario



3.2 Housing Supply Overview

3.2.1 Categories of Supply

Indicated in the figure below is a summary of the various housing supply sources identified in the Inner City. Evident in the supporting data (see supplementary reports) are the overall paucity of good / reliable delivery data and also the high diverse range of supply – ranging from formal to very informal.

Figure 13: Housing Supply Overview

Formal Private Rental	<ul style="list-style-type: none"> Large formal private rental providers (e.g. JPOMA members) Estimated 55,000 (??) units under management Rentals: R750 – R5,000+ / mth (ex. services charges)
Social Housing	<ul style="list-style-type: none"> Social Housing Institutions (JHC, JOSHCO and Madulamoho) Estimated 4,000 units under management Rentals: R750 – R2,500 / mth (generally incl. of service charges)
Small Scale Landlords	<ul style="list-style-type: none"> Generally semi-formal sub-letting arrangements (mainly sectional title units) – sub-letting of space Number not clear Rental: R500 – R2,000 / mth (Bed, doorway, shared rooms, etc.)
Slumlords	<ul style="list-style-type: none"> Formally owned but poorly managed and over-crowded rental stock Number not known Rentals not known, but likely in line with formal private (noting significant sub-letting prevalent)
Informal	<ul style="list-style-type: none"> Occupied non-residential spaces – may have some community structure Number not known Rentals not known but case studies suggest very low i.e. <R500/mth

3.2.2 *Supply-side findings*

The following findings on various aspects of housing supply were extracted from the literature review and fieldwork focused on informal housing conditions in the Inner City.

Built form:

- Forms of Inner City accommodation vary and range from 3 bedroom flats and lockable bedrooms to window spaces, a shared bed, sitting room space and balcony space. Sub-letting and further sub-divisions of space are common, despite the fact that it raises concerns of privacy, hygiene, safety and security, and exposure to inappropriate behaviour.
- The prevalence of sub-letting is indicative of very low incomes and of the need for flexible rental rates due to the precariousness of poorer people's lives.
- In many instances one apartment in the Inner City is divided into further living spaces. Even in formally rented accommodation the practice of more than one household sharing accommodation is not uncommon. The traditional approach of one unit, one household is thus not appropriate. And different types of accommodation offer people with the opportunity to change their living space according to their circumstances and affordability.
- The vast extent of sub-letting points to a livelihood augmentation strategy for those people sub-letting space..
- The lifestyle choices people are making must be considered. Extensive subletting, the persistence of backyard dwellings, as well as the appropriation of transitional housing by residents as permanent housing, suggests that retaining income is more important to most people within the inner-city than living conditions. Policy can therefore not rely on people progressively moving into higher quality accommodation. Rather policy needs to pay attention to the cost of the accommodation being supplied.

Access to services:

- Relatively superior service delivery appears to be one of the draw cards of the Inner City, however residents indicate that the unpredictable nature of the costs of such services affects them adversely.
- Concerns over services and their costs highlight significant ignorance about how services are charged and what is appropriate.
- Another draw card of inner-city accommodation is the fact that it is generally close to facilities such as schools, shops, and parks (although the social and recreational facilities in this area are oversubscribed).
- Public space management: It is not just the quality of the accommodation itself which influences standards of living, but also the management of public spaces. The upgrading of sidewalks, the installation of surveillance cameras in public spaces, and the cleaning up of lanes can substantially affect living conditions (as people often have to walk home or to places of work in the dark).
- Rules and systems of management form the basis of negotiation for public spaces. Indeed, such negotiations often result in mutually beneficial arrangements for both the residents and management of buildings, as well as for homeless people. Solutions need to be carved at very localised levels.

Residential Management:

- Incidents of conflict between residents and mastandes or owners, as well as problems of non-payment, arise when there is confusion regarding roles and responsibilities, and who owns the building. Moreover, there are no systems of

mediation or engagement and thus people tend to move out every time an issue arises. Policy thus needs to support transparent and comprehensible systems of management, as well as accessible and visible mediums of engagement.

- Most places seem to have a list of house rules that are stringently applied. From a policy perspective this means that there exists a culture of following certain rules and a sense of consequences if they are not followed.
- Successful management at the building level requires a transparent and unambiguous system, in order to avoid confusion regarding ownership and responsibilities. A system, whereby a caretaker lives in the building and deals with day-to-day management issues, and reports to the head office in case of bigger issues, seems to work well in terms of rent collection and maintenance.
- At the unit level, subletting arrangements, which are common, provide very affordable accommodation and seem to function appropriately when they are organised and controlled. Management at the unit level has the advantage of involving a smaller number of actors, who have direct relationships with one another.
- Rental accommodation is part of a value chain of goods and services, and fuels the economic activity of touts, movers, and service providers.
- Small-scale building management practices, whereby the owner lives on site and deals directly with management issues have been more successful and have the potential to increase the supply of affordable housing stock. Policy could thus focus on incentivising the latter type of management arrangement, and addressing the limitations faced by small scale landlords (such as access to credit finance).
- Currently, civil society organizations and legal NGOs are not effectively serving as mediators between the populations of appropriated buildings and municipal entities. There is a need to address this issue of engagement through a mediated tribunal type intervention.

Type of contract:

- Although residents who rent are less likely to put resources into improving their accommodation than residents who own their accommodation, renting provides the type of flexibility which people living within the inner-city seek.
- While there generally exists a written, formal contract between the owner and the leaseholder, subletting agreements tend to be verbal and informal.
- The supply of low-income housing is facilitated by the management system. The literature reveals that the housing market in the Inner City is regulated by a multi-layered arrangement of formal and informal processes. The informal arrangements at a unit level allow for highly flexible rental arrangements in terms of cost and duration of a tenant's stay.

Table 5: Inner City Housing Supply Ladder

Type	Source	Target HH Income per Mth	Typical Rentals per Mth	Units Offered	Est. Annual Delivery Rate
1 ST Rung	Private Market	R10 000 upwards	R3,000 plus	Bachelor to 3 bedroom apartments	~<1,000 units
2 nd Rung	Private Market	R5000 –R10 000	R1,500 – R3,000	Bachelor to 2 bedroom apartments	~2,000 – 4,000 units

Type	Source	Target HH Income per Mth	Typical Rentals per Mth	Units Offered	Est. Annual Delivery Rate
Social Housing 2 - Primary	Public & Subsidised	R3,500 – R7,000	R1,050 – R2,100	Bachelor , one and two bedroom units	~500
Social housing 1 - Secondary	Public & Subsidised	R2,000 – R3,500	R600 – R1,050	Shared room with communal ablutions	~ 200
Sub-economic	Public & Subsidised	R,1000 – R2,000	R300 – R600	Managed accommodation	nil
Welfare	Public & Subsidised	No Income Other Issues including special needs	<R300 (?)	Managed shelters	nil

There is at present no consolidated, reliable source of information on housing delivery in the Inner City. Indicated in the table above are estimates based on interviews and where available annual reports and plans (for instance in respect of social housing).

Overall the limited data suggest that there are some 3,000 – 5,000 formal units being delivered annually by private sector players as well as social housing institutions (of the bulk is public sector), catering in the main for households earning more than R3,500 / month. Critically, however, less than 10% of this comprises greenfields / new stock development. However a large proportion of this delivery (50%?) comprises conversion from other uses – either commercial or industrial space.

3.3 Target Setting for the Programme

Given the paucity of the supply and demand data it is challenging to agree and set some sort of delivery targets that the City should pursue through the various programmes set out below. Already the sheer variance between the Low and High scenarios noted above suggest that any accurate determination is impossible.

Critically this means that the City must adopt an experimental attitude to the programmes set out below. This means rigorous ongoing monitoring, evaluation and recalibration of instruments on an *ongoing basis*. This is particularly important as the interventions proposed are likely to fundamentally change prevailing market dynamics – the consequences and impact of this is not fully determinable at this stage.

Equally it is important not to be too ambitious in setting targets. This is firstly to recognise the lack of capacity in the City (evidenced by the poor delivery track records over the last decade), and secondly to recognise that the private sector itself may not be able to ramp up as fast as hoped given the availability of stock, funding and skills.

The above having been noted it is the view of this plan that anything that increases supply gradually over the next 5 years is to be welcomed. Set out in the table below is the initial delivery rate proposal that has been modelled as part of this plan.

Table 6: Initial ICHIP Delivery Targets (2016-2021)

Financial Year	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Number of Accommodation Units	2 100	2 100	2 100	1 600	1 600	9 500
Number of People Assisted	8 130	8 130	8 130	5 630	5 630	35 650

4 Inner City Housing Strategy

4.1 Underlying principles

The overall aim of this housing implementation strategy is **to make the Inner City housing market work better for the poor.**

This requires that the strategy address those aspects of the market that are dysfunctional, and that it enhance what is working well. The first priority of the City is to respond to the severely underperforming housing supply for the lowest income band of the market. This response requires new, state supported, mechanisms for delivery. The response must be undertaken while paying attention to the continued and improved functioning of all levels of the housing market in the Inner City.

It is imperative that the city acknowledges the role it has played (by its absence and neglect) in allowing the Inner City to change as it has, and equally as important that it acknowledges the role it can play in influencing the shape of the Inner City in the future. This requires financial commitment and sustained efforts in all aspects of planning and development that are required to ensure that those living in the Inner City have their shelter, social and economic needs met.

This plan emphasises a supply driven approach.

There is not enough housing to meet the needs of Inner City residents. This strategy motivates for a supply driven approach. It promotes significant supply at all levels of the housing ladder with a particular emphasis on the state actively facilitating supply at the lowest end. There is a critical need for accommodation for the poorest and most vulnerable residents of the Inner City. This will require City-led interventions and subsidisation in emergency accommodation, shelters, short stay decant facilities and low cost rental accommodation. Above these levels the City aims for private sector led, but government assisted, programme of delivery targeting the full range of housing market segments. All parts of the market link to others, and must be considered together. For instance, accommodation for evictees is imperative to free up building stock to create further stock for evictees.

On the basis of the status quo analysis and analysis of demand and supply the housing strategy is based on the following underlying principles:

- **Meeting City obligations and bottlenecks in housing the poor living in high risk conditions:** The strategy must meet the CoJ's requirements and deliver accommodation that is sufficient to unblock developmental processes currently being held in abeyance due to Constitutional Court rulings.
- **Acknowledge different market forces and a changed urban form:** There are parts of the market in the Inner City that are working, although the stock that is being provided may not be considered desirable in terms of current conventional thinking and by laws. A huge amount of delivery is occurring and the existing housing stock is being re-purposed to suit the needs of the market.
- **Acknowledge the value of private delivery in the less formal market:** The historical Inner City housing stock has been 're-purposed' to meet a changed socio demographic profile. Accommodation is being delivered in subdivided spaces and rooms by the private sector in ways that are informal but are sophisticated. The City cannot afford to intervene in this market space for the danger of disrupting a working part of the housing market. Any focus on this section of the market – of subdivided rooms and flats- should only focus on dealing with exceptions where the stock being delivered is not of an acceptable quality that ensures the health and safety of citizens.

- **Tackle bad buildings directly:** There are components to the market that provide extremely poor housing conditions that are a threat in terms of the social and physical health of the occupants and must be upgraded. This includes 'bad buildings' at the most extreme but also degrading sectional title buildings, overcrowded rental units, hostels etc. The City has a responsibility to address 'bad buildings': The City of Johannesburg has an obligation to create and preserve conditions of health and safety and of law and order, and the strategy responds to this obligation. The strategy is thus designed to eliminate the threats to health and safety and the threats to security that are posed by bad buildings. At the same time the City is mandated to further the developmental agenda of the state and is bound to the national mandate to facilitate the progressive realisation of the right to adequate housing. The strategy also responds to this obligation.
- **Overall Housing Market Functioning:** There is a need to intervene at all levels so as to make all sub-markets work more efficiently. Given the limited resources of the City the approach should be to enhance what is working and to address the key problematic areas.
- **A partnership approach:** The City must balance its responsibility to address housing need with its capacity to be effective. Intervention must be targeted at areas where the market is not functioning optimally and the City must work in partnership with residents and housing suppliers, to ensure its interventions do not undermine those components of the market that are working well.
- **Focus Strategy Where it Matters:** The key focus should be on building the delivery platform. The approach should be to focus on specific precincts and in particular on those where the housing demand of the poor and insufficient supply has created conditions for unsafe, overcrowded living conditions and threatens the building stock.
- **Establishing the economic and social basis of sustainable settlements:** The Inner City's infrastructural and social facilities are not presently equipped to cater for the residential population it already hosts, and will be overstrained in accommodating the current and future demand. No housing interventions can be undertaken in isolation. The City must develop and ensure the development of the requisite social, health and recreational facilities required to ensure a viable residential component in the Inner City. In many cases this will require that the City prioritise non-housing uses where it has the opportunity to access land or buildings for development. The Inner City must continue to function as a business and employment centre and a mixed use hub that provides employment, entertainment and opportunity for Johannesburg's residents and visitors.
- **The actions taken by the City must be appropriately sequenced:** Health and safety needs must be secured as a matter of urgency and must take priority in the sequencing of interventions. Furthermore the provision of affordable housing options must be prioritised to ensure as far as possible that viable alternative accommodation and /or temporary accommodation is available for residents who are displaced from 'bad buildings' in the course of law enforcement. Provision must be made for the immediate absorption of buildings into processes that allow for adequate future use and regeneration of the buildings once law enforcement has taken its course.
- **A strong information base is required to ground the strategy:** The approach to 'bad buildings' and housing responses must be well-informed. Current responses are largely reactive and driven by crises that emerge from living conditions or the severity of lawlessness in bad buildings. The intensity and scale

of problems have limited the opportunities for building an adequate information base within which to develop responses to the housing need as well as an adequate dataset from which to assess and prioritise the conditions of bad buildings.

4.2 Housing the poor in the Inner City – State supported housing delivery?

In many societies, including our own, it is accepted that state support is necessary to enable poor and marginalized people to access decent accommodation, where the state has the means to do so. The formal market tends to cater only for those with a certain level of purchasing power, and state intervention is needed to address conditions the formal, compliant private sector does not and poor people on their own cannot. In recognition of this, public housing stock of one form or another can be found in many cities. This is funded through different mechanisms, but typically in the case of accommodation for very poor households, is dependent on government subsidies and financing from local or federal, and national, budgets.

Effective management of this housing is resource intensive, and most countries have stepped away from direct local authority provision and management, finding instead new ways of encouraging private sector and not-for-profit ownership of the housing. Experience in Johannesburg supports this. The City currently has a portfolio of rental housing stock developed in the apartheid era which is under its management. However this is proving very hard to successfully control and manage, as a set of social pathologies have taken root in these complexes and estates, payment levels are low, and de facto control vests in actors beyond the City administration. As a result of the very low levels of rental income, the stock is in effect being subsidised from the operating budget of the City, without this being clearly planned and accounted for. This experience suggests that the City should approach plans to expand its rental stock with caution.

Yet a different picture emerges from the City-owned entities and social housing institutions that have developed and managed housing stock from inception. JOSHCO's record with its new accommodation portfolio is relatively good from a management perspective, despite encountering a number of challenging and difficult circumstances. It is important to note therefore that the caution sounded above is not directed at the ownership and management of state-subsidised rental stock *per se*; rather the concern is with inherited stock that has been subject to a combination of factors which have rendered it extremely difficult to control and manage. At the same time, management of housing stock must be recognized as a specialist enterprise requiring the necessary focus, skills and expertise of a dedicated entity, not something to be easily or lightly attached to a City's department's range of responsibilities.

Taking these two points together, developing new public-supported housing stock for rental is a viable proposition from a control and management perspective if done by an appropriate specialist entity from inception. From a financial perspective, the preferred approach is to require rental payment by tenants, to aim for cost recovery, but to recognize that state subsidy forms a key part of the equation when accommodating those at the bottom end of the income spectrum. This is already the case for JOSHCO-provided housing in Johannesburg, where the financial model includes contribution from the City in the form of significant capital contributions and the subsidisation of ongoing running costs.

Currently JOSHCO's rental accommodation portfolio includes accommodation (rooms) at the R800 – R900 per room³ rental level. This is fulfilling an important need for decent, secure, well managed accommodation at this price. It is important that more stock at this price is provided – experience shows demand is high at this level. In addition, there is also a need for rooms at a cheaper rental. To increase the quantum of rooms at the current lowest price of R800 –

³ A room with shared ablution facilities.

R900, and to also provide rooms at a cheaper price, requires expansion of the City contribution to JOSHCO.

Currently JOSHCO projects operate on a set of key principles which include:

- Refurbishment of buildings rather than new build as it is considerably cheaper and quicker, averaging 18-24 months for completion.
- High levels of autonomy and independence from the City to enable fair and transparent allocation processes, and the ability to pursue legal evictions if necessary.
- High levels of access control to buildings in the Inner City, a feature appreciated and demanded also by tenants.

Going forward it is important that the JOSHCO portfolio is not only able to offer a greater amount of low-cost accommodation, as well as a selection of cheaper rooms, in the vicinity of the Inner City, but also that there are low 'barriers to entry' to this housing⁴. This is to recognize the real circumstances of very poor households, such as not having salary slips and not being able to pay deposits. Rooms also need to be able to accommodate different household configurations and children. Critically, however, the housing needs careful daily and long term management, to retain the stock in perpetuity as a public asset for a class or category of beneficiaries.

It is hard to quantify the amount of public housing stock needed or able to be supplied. This is only one of a suite of types of housing that need to be encouraged in the Inner City, each offering different characteristics and benefits to the occupier. The overall point is to increase the supply of *diverse* forms of accommodation, and thus the choice of housing options. Public housing has its constraints and limits, and is not intended to be the dominant form or the only one relied on. It is rather seen as one important contribution to an array of accommodation types and suppliers that collectively expand and improve the Inner City housing situation.

Case studies from other parts of the world suggest a number of principles or factors which contribute to the successful management of publicly owned housing stock:

- Economies that derive from a certain scale of stock, which allow for savings in development and maintenance.
- Considerable state operating subsidies from national government with shortfalls made up by local authorities.
- Rental from additional properties such as commercial properties, parking garages etc are necessary to help generate extra income to assist with maintenance and the development of new stock.
- Quota systems to regulate ethnic and income mixes help avoid complexes becoming poverty and ethnic ghettos.
- By making public housing a scarce resource and thereby limiting its access mainly to citizens who are victims of advanced urban marginality, government is perpetuating and intensifying public housing' stigmatized and excluded status. Ideally, what is required is a major expansion of affordable housing so that all citizens have the capacity to access decent, affordable and secure housing.
- High levels of management and consistent supervision of internal and external maintenance services are needed.
- Political support for public housing and thus associate supportive policies and budget.

⁴ Wilhelm-Solomon 2015

The current strategy is directed at increasing and extending the delivery that is being undertaken well by social housing institutions including JOSHCO. It is also directed at increasing the momentum of private housing suppliers to deliver to lower ends of the market than they currently do. But current housing models employed by both social housing institutions and private developers are unable to reach far enough down market. Additional State (City-level) subsidies are required to house poorer residents in the Inner City.

4.3 Additional Considerations

As already indicated above, our overall approach suggests a supply side intervention with the primary focus on a capital (object) subsidy or quasi-operational subsidy (as set out in more detail in the programmes below).

We acknowledge the ongoing – and unresolved debate – as to whether an object or a subject based subsidy is more appropriate”. and as to the appropriateness of a supply-side intervention. Our ultimate selection of an object based supply-side subsidy is based on the following reasoning:

- Demand side subsidies (such as vouchers or individual subsidies for rental) are unlikely to be effective given the very significant supply constraints prevalent in the Inner City. While such initiatives may stimulate a supply side response there is little guarantee that this will positively impact those households in need of support.
- Given the above our view is that the immediate task is to drive up supply both – public and private – in order to ensure sufficient suitable accommodation that meets a broad spectrum of household circumstances and affordability. Given the very high capital costs both in respect of building acquisition as well as construction – an instrument that reduces the cost of capital would seem to be most appropriate.
- The assumption underpinning a capital subsidy is that ultimately rentals need to be set so as to ensure that operational costs as well as capital / finance cost can be covered, and in the case of the private sector generates a margin. Reducing – or even eliminating – the cost of finance we believe is an important ingredient to reducing overall rentals.
- Furthermore we note that given the paucity of data, the highly fluid nature of the Inner City population and unresolved significant policy matters in respect on non-South Africans, migrants, asylum seeker and non-qualifiers for national housing programmes, a demand side subsidy cannot be properly quantified and managed.
- We note that an argument has been made for an ongoing operational subsidy instead of a capital subsidy. Our concerns with this are primarily the following:
 - The risk of an open ended operating cost obligation to the municipality. This is compounded by the current fiscal framework which is challenged with respect to operating cost budgeting and prefers a capital expenditure approach.
 - The administrative burden of vetting and auditing suppliers of accommodation and effectively ensuring that the funds are utilised for the purposes of the targeted households, we believe is currently beyond the scope of the City to manage. Furthermore we would suggest that in the absence of any strong controls the potential for abuse is very high.
 - Finally we note that at present the City does to a limited extent provide an operational subsidy to units in the JOSHCO portfolio where some of the operating expenses are absorbed by an operating subsidy / budget provided to

the entity by the city. However it should be noted that the primary instrument JOSHCO currently uses to keep rentals low is very significant capital funding from the City.

- Notwithstanding the above – as noted further below – do note that there is an option for a quasi-operating subsidy, which would effectively comprise the same value as an upfront capital grant but paid over a period of time to a supplier against the delivery and management of units. Importantly this “operating subsidy” would attach to the unit and not the person and be linked to some agreed rental band.

The upshot of the above discussion and our guiding principles is the following:

- I. We propose the primary focus being on the subsidisation and incentivisation of new supply both public and private through a capital subsidy instrument.
- II. In the case of the public sector we envisage the primary supply agent to be JOSHCO which would receive sufficient capital funding in addition to its ongoing operating subsidies to be able to deliver deep-down market rentals in the Inner City. Our view is that given that this is effectively “public stock”, albeit managed professionally at an arm’s length from the city, this is where the key risk of accommodating very vulnerable households should lie.
- III. The second key instrument would be a subsidy to the private sector to deliver more affordable rental units targeting lower income bands not currently served by social and affordable rental housing. Here the incentive would be a once-off capital subsidy or its equivalent paid out over a period of time (to operate as a quasi “operating subsidy”). This would effectively ring-fence stock in the Inner City at agreed rental bands.

We do not promote the idea of rent-free or sub-economic public rental. As noted in the document and elsewhere, the track-records of public managed housing is dismal in South Africa (including Johannesburg).

4.4 Key strategic areas

The status quo review and analysis of demand and supply indicate that households in the Inner City are living in a range of housing circumstances that are linked to their affordability (income). The types of housing circumstances include:

- Formal accommodation which includes:
 - Freehold title occupied by the owner who could be paying a mortgage or has paid off the mortgage
 - Rental accommodation owned by a private sector landlord or social housing institution. The unit rented could be a house, unit or room with shared ablution facilities. It may be rented for short stay or longer term.
 - Hostels
 - State provided shelters for indigent persons
- Semi-formal accommodation which comprises renting a portion of a formal unit and could include a:
 - Sub-let room
 - Sub-let shared room
 - Sub-let bed space
- Informal accommodation which comprises :
 - Informal/illegal occupation of buildings

- Informal settlements
- Homeless/rough sleepers

Given the above it is proposed that the housing strategy for the Johannesburg Inner City focuses on the following key areas:

- 1) **Extending Welfare Housing Programme:** This comprises continuing and extending the City's welfare housing stock to meet needs of indigent, infirm and special needs individuals. **Ownership Facilitation:** This comprises stabilising and reversing decline in owner-occupied houses and buildings in the Inner City with a specific focus on improving the functioning of targeted failed Sectional Title buildings.
- 2) **Provision of emergency services to critical buildings:** If building conditions are deemed to pose a severe health and safety threat, then emergency action needs to be taken to secure conditions of health and safety. This includes provision of emergency water points, toilets and refuse removal.
- 3) **Providing Critical Need Accommodation:** This comprises implementing a programme to develop a specified, limited supply of basic, city-controlled and financed accommodation to meet Constitutional Court obligations and to unblock the SPRE bottleneck in accommodation provision which is inhibiting removal and redevelopment of inner-city buildings. This should use identified, existing buildings and development on vacant land.
- 4) **Growth of Subsidised Rental Stock Delivery:** This comprises delivering a pipeline of subsidised social rental housing in the Inner City through accredited SHIs. These SHIs should target types of stock and households who are not already being provided for by the private sector (see 2 above). In this regard it is proposed that the Inner City becomes a 'Megaproject'.
- 5) **Dealing with Targeted 'High Risk Buildings':** This comprises implementing a multi-faceted approach within the City to identify, target and upgrade 'high risk buildings' that pose health and safety threats. This should be undertaken on a building by building basis and should focus on improving conditions in the buildings so that basic services are provided and health and safety standards apply (at a reduced level from current by laws). It includes expropriation of selected buildings for redevelopment for appropriate housing or supporting uses.
- 6) **Private Sector Delivery Enhancement:** This comprises enhancing the existing delivery of affordable reasonable quality rental stock by the private sector specifically Corporate and Small-Scale landlords. .
- 7) **Densification of Inner City suburbs:** This comprises creating a platform of revised (realistic) regulation and responses that will improve the basic health and safety conditions of subletting and backyard development and will promote densification with appropriate regulation and supportive services in near Inner City suburbs.

5 Inner-City Housing Implementation Plan

5.1 Inner City Housing Programmes Overview

Two pillars of implementation will guide the housing programmes, namely Housing Delivery and Housing Facilitation.

Housing delivery is focused on increasing the supply of accommodation.

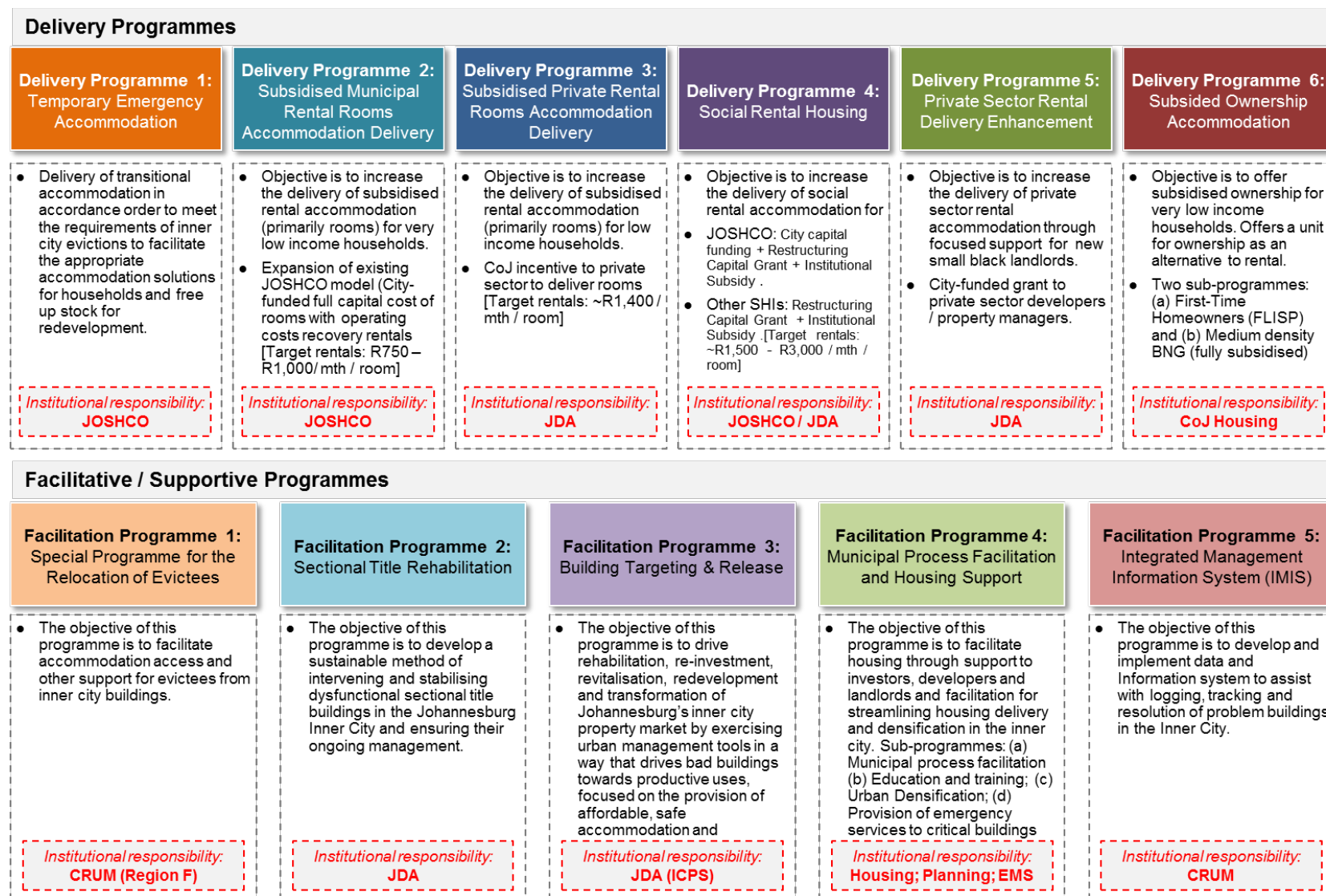
Housing facilitation incorporates all the programmes required to establish a sound platform for housing delivery to take place.

The following programmes are proposed:

- Delivery Programmes:
 - 1) Programme 1: Temporary Emergency Accommodation
 - 2) Programme 2: Subsidised Municipal Rental Accommodation
 - 3) Programme 3: Subsidised Private Rental Rooms Accommodation
 - 4) Programme 4: Social Rental Housing
 - 5) Programme 5: Private Sector Rental Delivery Enhancement
 - 6) Programme 6: Subsidised Ownership Accommodation
- Facilitative / Supportive Programmes:
 - Programme 1: Special Programme for the Relocation of Evictees (SPRE)
 - 1) Programme 2: Sectional Title Rehabilitation
 - 2) Programme 3: Building Targeting and Release
 - 3) Programme 4: Municipal Process Facilitation and Housing Support
 - 4) Programme 5: Integrated Management Information System (IMIS)

Each of these is outlined below.

Figure 14: Overview of Inner City Housing Programmes



5.2 Delivery Programmes

5.2.1 Delivery Programme 1: Temporary Emergency Accommodation

Programme 1: Temporary Emergency Accommodation

Definition and Problem Statement:

Temporary Emergency Accommodation is subsidised short-term accommodation provided for people who are in transition between homelessness and permanent accommodation. This accommodation specifically caters to people who are rendered homeless through evictions.

The current supply of temporary accommodation in Johannesburg is very limited because existing facilities are full of residents who have not transitioned into more permanent accommodation on the ladder. The City of Johannesburg owns a number of buildings used for temporary accommodation, totalling approximately 2100 beds all of which are largely fully occupied. In addition there are various JOSHCO developments planned which have the capacity to could provide some emergency accommodation.

Overall Objective:

To provide temporary emergency accommodation to qualifying evictees as defined under SPRE.

Intervention Type:

This delivery programme is the temporary accommodation associated with SPRE. TEA is intended to be accommodation used as the last possible option. It will be temporary in nature. Three main types of intervention for providing Temporary Emergency Accommodation (TEA) have been proposed:

- TEA buildings – relocating evictees from buildings in the Inner City to temporary accommodation in available buildings in the city. This will be limited to a stay of 6 months, with possible extension to 12 months under certain conditions where after evictees will be relocated to TEA land
- TEA land – relocating evictees from land in the outer parts of the city to temporary shelters on demarcated serviced sites.
- Temporary Emergency Situation Housing (TESH) will be provide in emergency situations caused by the following circumstances:
 - Illegal Eviction;
 - Force Major.

In the Inner City the intervention requires identification, and reservation or acquisition of existing buildings suitable and available for residential development. These may already be owned by CoJ or acquired through the property market and re-purposing them for affordable short-stay rental accommodation. Conversion and refurbishment of existing buildings would involve a thorough evaluation of the building to establish the extent of the changes required to convert and refurbish it to suit transitional accommodation, including the condition of the building structure and existing services.

Programme 1: Temporary Emergency Accommodation

Targeted Households (tenants):	<p>Evictees as defined under the SPRE programme</p> <p>It will provide accommodation for South African and non-South African citizens.</p>
Precincts:	<p>While it maintains that it will likely not be possible to provide all necessary temporary emergency accommodation in the Inner City; the City of Johannesburg recognises that it is preferable that this accommodation be in the Inner City so as to minimise disruption to the everyday life and work patterns, and in turn livelihoods, of those evictees who are looking for or active in economic opportunities. The important consideration is access to facilities, services and economic opportunity. Such access is afforded by location within the Inner City but is also afforded by location along transportation corridors that service the Inner City or other economic nodes. As far as possible therefore, the City will work to ensure that transitional facilities are provided in or close to the Inner City or on transportation routes that serve economic nodes.</p>
Housing Typology:	<p>Temporary emergency accommodation would be provided in the form of dormitory-type communal rooms or small, minimal rooms clustered around shared facilities.</p> <p>The residents who are likely to occupy temporary emergency accommodation may include singles, couples or single mothers with a child or children. They are likely to have very low and erratic incomes. This requires that the accommodation should be as cheap as possible, and very flexible with regard to duration of stay and rental arrangements. The accommodation also needs to be understood as temporary in order to encourage transition to more permanent accommodation. Basic shelter that meets the immediate needs of occupants and that is replicable to meet the demand if required.</p> <p>The following development options are proposed:</p> <p>For TEA buildings:</p> <ul style="list-style-type: none">• Conversion of residential to residential (for example converting existing apartments to rooms and dormitories with shared facilities by subdividing apartments)• Conversion of non-residential to residential (for example converting existing offices, warehouses, etc. to rooms and dormitories with shared facilities)• Refurbishment of existing residential rooms and dormitories• New-build rooms and dormitories with shared facilities on pockets of vacant land in the city owned or acquired by CoJ <p>For TEA land:</p> <ul style="list-style-type: none">• Temporary shelters erected on land with shared basic services similar to the Temporary or Transitional Relocation Areas (TRAs) provided in informal settlement upgrading projects while beneficiaries await occupation of new houses

Programme 1: Temporary Emergency Accommodation

- Temporary shelters as above, but at lower densities to enable incremental development of the land into permanent alternative housing

For TESH:

Temporary Emergency Situation Housing will include the following options:

- Tents;
- Community halls;
- Shelters
- Any other suitable temporary shelter.

TESH will be provided for a maximum of ten working days following which residents will move into TEA, suitable alternative accommodation.

TEA Accommodation Details:

The types of accommodation recommended for TEA are:

- Small single rooms of approximately 12m² that would accommodate 2-3 people (**This is recommended as the predominant housing option for TEA**)
- **Dormitory style communal rooms** that would accommodate 4-12 people

Both accommodation types would share communal bathrooms facilities

In the case of small rooms these should where possible be clustered in groups of three to four rooms that share ablution facilities to enable a disaggregation of management and control of shared facilities in the building.

The evidence is that most people cook in their own rooms when living in communal style facilities in the Inner City. Provision should where possible be made for this in the design of the accommodation.

The facility should provide for

- Shared ablutions – male, female, family and disabled bathrooms
- Shared kitchens with wash-up areas for residents and surfaces for optional cooking space
- Communal facilities such as: Kitchen and dining room where meals could be provided by a welfare agency, recreation, homework/study
- Shared laundry space and washing lines
- Children's facilities for recreation and play
- Storage facilities for personal belongings
- Security and access control

Programme 1: Temporary Emergency Accommodation

The household size and composition of persons who will occupy temporary emergency accommodation is unknown. Therefore various sizes and configurations of rooms need to be available. Buildings providing temporary emergency accommodation will be required to meet National and Municipal building codes, health and safety by-laws, fire regulations and minimum space standards. Minimum space standards differ greatly in various available housing codes and there appears to be no absolute agreement. Where rooms are shared by a number of persons a common norm is 3.5m² per person or 10m² per person when ablution, kitchen and common facilities are included; and a minimum habitable rooms is around 6m².

These standards align with the City of Johannesburg Metropolitan Municipality Public Health By-laws Chapter 10 Accommodation Establishments requirements in section 62 as follows:

"62 (a) No room wholly or partly used by persons for sleeping in may be occupied by a greater number of persons than will allow-

- (i) less than 11.3m³ of free air space and 3.7m² of floor space for each person 10 years or older; and
- (ii) less than 5.7m³ of free air space and 1.9m² of floor space for each person under the age of 10 years;"

Implementing Agents:

JOSHCO or appointed NGOs or SHIs in partnership with CoJ Housing Department, Social Development and JDA

Key Components / Overall Approach:

Key components:

- Two buildings currently secured for pilot projects (Fraser House and Park Chambers)
- Data base of suitable and available properties, kept updated, for further acquisition/reservation
- Pre-feasibilities for short-listing of at least three further suitable properties for development over medium to longer term
- Institutional arrangements for facility management by managing agent (JOSHCO)

Overall approach:

- CoJ Housing Department enter into delivery and management partnership with managing agent (JOSHCO)
- Re-develop two buildings identified immediately as pilots (Fraser House and Park Chambers)
- Identify and develop three further facilities in the following two financial years depending on utilisation rates (to be established in the initial two years). Additional facilities may be required but this should be based on a review of the programme after year 2.

Profile of suitable buildings

- Buildings must be available for purchase/acquisition
- Zoning and title deeds must permit conversion (they may be altered to permit such-but this will delay redevelopment)

Programme 1: Temporary Emergency Accommodation

- Buildings must be suitable for conversion to dormitory style and or small room configurations and shared ablution facilities
- Surrounding uses must fit the residential nature of the proposed use. This means that surrounding uses must not pose an undue threat (e.g. noxious industry) to residential use.
- Costs of purchase and acquisition must allow for the conversion to residential space or refurbishment of residential space to be achieved at 2015 costs of between R6,500 and R7,000 per m² for conversions and R4,500 per m² for refurbishment (this is in addition to acquisition cost which should ideally not exceed R2,000 to R2,500 a m²).
- Buildings must be located proximate to transportation networks or hubs or within the Inner City as defined by the UDZ boundary or proximate to alternative economic nodes. Proximate indicates within reasonable walking distance (less than 30 minutes from accommodation to transportation).
- Buildings should be able to yield over 100 units of accommodation in to maximize scale and reduce management costs.

Property management considerations

The management agency must be bound by management guidelines, developed by CoJ Housing Department in partnership with JOSHCO and Social Development that cover:

- Caretaking:
 - Daily cleaning
 - On-going maintenance of wear and tear
 - Repair of damages to fittings and fixtures
 - Reporting framework for repair
 - On-site caretaking
 - Procedures in cases of damage to property

Lease agreements:

- Development of lease agreements
- Procedures for entering into leases
- Procedures in case of breach

Rental and service charges:

- Payments and collections of rentals
- Payments of service charges

Programme 1: Temporary Emergency Accommodation

Tenancy:

- Intake procedures
- Principles of space allocation for shared rooms and small rooms
- Space allocation
- Tenant relations
- Tenant and management meetings
- Tenant responsibilities
- Exit plan and procedures

Eligibility:

Evictees as defined by courts and in SPRE programme

Programme Implementation:

Step	Activity	Responsible	Risks/ Issues
1. Develop two available buildings	<ul style="list-style-type: none"> • Secure the acquisition of two buildings on the list of properties already acquired or planned to be acquired by CoJ are recommended for piloting the programme in the short term. These are Fraser House and Park Chambers, both belonging to Transnet • These should immediately follow the processes and actions defined from Step 5 below 	CoJ Housing Department in collaboration with JPC and JOSHCO	
2. Identify suitable and available buildings	<ul style="list-style-type: none"> • Identify at least three more buildings for development over the following two financial years • Search CoJ property list for buildings fitting the profile and secure them for JOSHCO to redevelop for temporary emergency accommodation 	CoJ Housing Department in collaboration with JPC and JOSHCO	Transnet not releasing the two pilot project buildings
3. Conduct basic pre-feasibilities on pilot projects and to short list further suitable buildings	<ul style="list-style-type: none"> • Legal report – check ownership, title deeds, survey diagrams, zoning certificates, valuation roll (review pre-studies done on the two suggested pilots and procure professional services for addressing any gaps in the studies) • Physical assessment –condition of structure, envelope and services (review pre-studies done on the two suggested pilots and procure professional services for addressing any gaps in the studies) 	Appointed professional expertise	Buildings identified potentially tied up in long-term legal or town planning issues

Programme 1: Temporary Emergency Accommodation

Step	Activity	Responsible	Risks/ Issues
4. Conduct full feasibility and cost estimates on pilots and further shortlisted properties	<ul style="list-style-type: none"> Structural integrity, building condition, and services assessment Preliminary designs and cost estimates (including review of the preliminary work done on Fraser House, and further development of the concept) Develop property management proposals for the pilots Final selection of at least three further buildings for refurbishment or conversions over medium to longer term 	CoJ HS and JOSHCO, with assistance from appointed professional expertise	Buildings identified found to be structurally unsound and/or too expensive to renovate
5. Secure buildings for pilots and future refurbishment or conversion	<ul style="list-style-type: none"> Finalise acquisition/transfer from Transnet for the pilots, Fraser House and Park Chambers For further buildings owned by CoJ, reserve for purpose 	JDA/COJ HS/ JOSHCO/Appointed professional expertise	CoJ or JDA allocating identified properties for other purposes Delays in acquisition/ devolution of properties from other public sector owners such as Transnet
6. Package pilots and procure construction services	<ul style="list-style-type: none"> Appoint and brief professional team to develop detail design and specifications, and cost estimates for approval Technical and procurement documentation prepared by professional team under guidance of CoJ HS and/or JOSHCO, 	COJ HS/ JOSHCO/Appointed professional expertise	Tendered construction costs exceeding estimates and budgets
7. Implement development of pilots	<ul style="list-style-type: none"> Construction led by professional team under control of CoJ HS and JOSHCO Finalise institutional and property management arrangements and agreements 	COJ HS/JOSHCO/Appointed professionals/contractor	Construction cost and time overruns
8. Open pilots for occupation and manage facility	<ul style="list-style-type: none"> Open facility to receive eligible residents and hand over to managing agent 	CoJ/HS and JOSHCO	Burden of operational subsidies on CoJ if running costs exceed collectible rentals
9. Prioritise packaging and development of further buildings	<ul style="list-style-type: none"> Secure budgets over medium and longer term Package three more projects and implement over next two year period 	CoJ HS and JOSHCO	Unavailability of medium to long-term budgets

Implementation Programme:

Activity	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Set up criteria for suitability and availability for selection of more buildings for development over the medium to longer term— ownership, location, type of building, current, and planned future use if any						
Search CoJ property list for buildings fitting the profile and list them						
Conduct basic pre-feasibilities on pilot projects and to short list further suitable buildings						
Conduct full feasibility on pilots and further shortlisted properties						

Programme 1: Temporary Emergency Accommodation

Activity	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Finalise acquisition/devolution from Transnet for the pilots, Fraser House and Park Chambers						
For further buildings, owned by CoJ, reserve for purpose						
Package pilots and procure construction services						
Implement development of pilots (construction)						
Finalise institutional and property management arrangements and agreements for pilots						
Open pilot facilities to receive eligible residents and hand over to managing agent						
Ongoing management of facilities by managing agent						
Secure budgets over medium and longer term, and package projects and implement over time						

Financial Implications:

The following costs will have to be funded from CoJ capital budgets:

- Professional assistance with setting up criteria and identifying and short-listing further facilities for re-development
- Pre-feasibilities on the two recommended pilots and three further facilities
- Full feasibilities on the above, including preliminary designs and cost estimates
- Acquisition / devolution and transfer costs for the two pilots acquired from Transnet – Park Chambers was valued in April 2015 at R6.9m, made up of R1m for the land and R5.9m for improvements, depreciated (fire sale valuation R4.8m). Although the two properties are not directly comparable, using the same methodology for Fraser House gives an estimated value of R11.8m. These values have been used for acquisition costs in the budgets below, but it is recommended that CoJ negotiates substantially lower prices with Transnet
- Recommended that the further three facilities be sourced from properties owned by CoJ
- Professional fees and construction costs of the two pilots, and further three facilities to be developed over medium term

The following costs will be funded from CoJ operational budgets:

- Operational subsidy to managing agent (JOSHCO) to make up estimated cost recovery shortfalls caused by turnover vacancy

Programme 1: Temporary Emergency Accommodation

Programme Budget:

Year #	1	2	3	4	5	Total
Financial Year	2016/17	2017/18	2018/19	2019/20	2020/21	
Number of Accommodation Units	500	500	500			1 500
Number of People Assisted	2 500	2 500	2 500	-	-	7 500
Total Programme Cost	R 30 913 500	R 39 218 580	R 48 794 594	R 22 787 646	R 25 278 309	R 166 992 629
<i>Capital cost</i>	<i>R 24 013 500</i>	<i>R 25 934 580</i>	<i>R 28 009 346</i>	<i>R -</i>	<i>R -</i>	<i>R 77 957 426</i>
<i>Operating cost</i>	<i>R 5 400 000</i>	<i>R 11 664 000</i>	<i>R 18 895 680</i>	<i>R 20 407 334</i>	<i>R 22 039 921</i>	<i>R 78 406 936</i>
<i>Programme Management costs</i>	<i>R 1 500 000</i>	<i>R 1 620 000</i>	<i>R 1 889 568</i>	<i>R 2 380 311</i>	<i>R 3 238 387</i>	<i>R 10 628 267</i>

Institutional & CoJ Capacity Implications:

No major capacity implications for CoJ foreseen. Acquisition of properties for re-development can be handled by JOSHCO. Expertise for feasibility studies, packaging and construction of projects will be outsourced with assistance of JOSHCO. Management of the facilities will be undertaken by JOSHCO under an agency agreement or SLA

5.2.2 *Delivery Programme 2: Subsidised Municipal Rental Rooms Accommodation Delivery*

Programme 2: Subsidised Municipal Rental Rooms Accommodation Delivery

Definition and Problem Statement:

The census figures indicate that the key demand in the Inner City is for the provision of sub-economic rental accommodation to households with minimal incomes. This demand is mostly for single persons or 2 member households. This target group requires rental accommodation in the region of R900/mth per room.

It is a severely unmet demand as current private rental opportunities are supplied at a higher level than this income band can afford. Social housing institutions including JOSHCO are supplying some accommodation at this level. The model used is sound. But it is unable to cater for the full demand.

While institutional subsidies enable the provision of limited accommodation at this level, the inadequate scale requires that the scale of subsidisation be increased to expand current programmes. And if Johannesburg wishes to extend the provision of rental accommodation that is provided by the private sector to a level that can be afforded by the poor then such private supply would also require subsidy.

The current programme focuses on the provision of subsidised accommodation, for the poor, by the municipality.

Overall Objective:

The objective of this programme is to significantly scale up the delivery and management of rental rooms by JOSHCO. This requires an increase in the subsidy budget for both capital and operating subsidies provided to JOSHCO for rental rooms.

Intervention Type:

Conversion or refurbishment of existing stock

Targeted Households (tenants):

Households earning Between R1,500 and R2,500 / mth

Precincts:

All

Housing Typology:

Medium-to High Density buildings with communal rooms (max 2 adults and 1 child) with shared ablutions

Implementing Agents:

JOSHCO

Programme 2: Subsidised Municipal Rental Rooms Accommodation Delivery

Key Components / Overall Approach:

Provision of further capital and operating subsidy to enable JOSHCO to expand its delivery of communal rooms with shared facilities at targeted rentals. Rental rooms can be offered within one building but it is preferable that there be a mix of unit sizes and typologies within a single building.

Programme Implementation:

Step	Activity	Responsible	Risks/Issues
1. Obtain budget commitment	<ul style="list-style-type: none"> JOSHCO to determine what scale of rental rooms it has or can build the capacity for in the medium term (delivery over next 5 years) JOSHCO to provide cost estimates for such scaling up 	CoJ Housing and JOSHCO	Failure to secure capex and JOSHCO operating budgets
2. Secure funding	<ul style="list-style-type: none"> Finalize the budget commitments and secure initial funding for 2 to 4 developments. Insert budget commitment in JSIP. 	JOSHCO / CoJ Housing	Failure to secure capex and JOSHCO operating budgets
3. Pilot the programme	<ul style="list-style-type: none"> Implement an initial pilot project of 2 -4 buildings which may be entirely rooms for rent or offer a combination of rental rooms and other larger units Develop and roll out management protocols On-going monitoring and evaluation including an independent assessment of tenancy and suitability of the accommodation typology 	JOSHCO / CoJ Housing	Failure to set and collect appropriate rentals Risk of political interference
4. Expand the project	<ul style="list-style-type: none"> Undertake a review and any required revisions to the design of the programme Secure additional funding Expand the programme 	JOSHCO / CoJ Housing	Failure to secure capex and JOSHCO operating budgets
5. Ongoing M&E	<ul style="list-style-type: none"> Implement a rigorous monitoring and evaluation programme that tracks progress as well as measures impact 	JOSHCO / CoJ Housing	

Implementation Programme

Activity	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Component 1: Feasibility Study and Model						
Financial modelling / feasibility study						
Test with stakeholders						
Secure Council approval						
Component 2: Pilot the programme						
Agree pilot Programme						
Establish Programme SteerCo						
Implement and monitor pilot						
Independent review						

Programme 2: Subsidised Municipal Rental Rooms Accommodation Delivery

Activity	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Component 3: Expand the project						
Review programme design						
Secure additional funding						
Expand the programme						
Component 4: Ongoing M&E						
Procure a service provider						
Design M&E programme						
Implement M&E programme						

Financial Implications:

Initial modelling indicates that a subsidy of about R184,000 per unit / room is required in order for the City to deliver rooms. Additionally the City may have to absorb some non-recoverable costs not met by rentals which should be set so as to recover the operating costs of units (currently around R900 / room). The funding for the expansion of the JOSHCO rental rooms subsidy will have to originate with the CoJ budget. The City will have to motivate to National Treasury for additional preferential share allocation on the basis that the Inner City housing crisis within Johannesburg is a national priority given the role that the Inner City plays as an entry port for persons arriving from all over the country in search of economic opportunity.

Programme Budget:

Year #	1	2	3	4	5	Total
Financial Year	2016/17	2017/18	2018/19	2019/20	2020/21	
Number of Accommodation Units	800	800	800	800	800	4 000
Number of People Assisted	2 400	2 400	2 400	2 400	2 400	12 000
Total Programme Cost	R 148 160 000	R 160 896 000	R 174 574 080	R 175 534 080	R 176 494 080	R 835 658 240
Capital cost	R 147 200 000	R 158 976 000	R 171 694 080	R 171 694 080	R 171 694 080	R 821 258 240
Operating cost	R 960 000	R 1 920 000	R 2 880 000	R 3 840 000	R 4 800 000	R 14 400 000
Programme Management costs	R -	R -	R -	R -	R -	R -

Institutional & CoJ Capacity Implications:

JOSHCO will need to expand its human resource capacity to take on additional projects. The existing model of room provision will be continued. It is advised that a tenant/customer relations' office be expanded to deal more intensively with tenants issues given the income levels and precarious social conditions that are likely to accompany the tenant profile targeted.

5.2.3 Delivery Programme 3: Subsidised Private Rental Rooms Accommodation Delivery

Programme 3: Subsidised Private Rental Rooms Accommodation Delivery

Definition and Problem Statement:

Census figures indicate that the key demand in the Inner City is for the provision of sub-economic rental accommodation to households with minimal incomes. This demand is mostly for single persons or 2 member households. This target group requires rental accommodation in the region of R900/mth per room.

This demand is severely unmet by current privately developed accommodation. Private rental opportunities are supplied at a higher level than this income band can afford. The result, as indicated in the research reports and background to this strategy, are overcrowding, exploitation and poor living conditions for the poor in the Inner City.

This target market has been identified by the private sector and attempts are being made to deliver accommodation at this level. A number of projects have been completed that deliver high-quality affordable rental rooms with shared ablutions and other facilities. The best of these have been delivered with low cost international once-off finance. The experience has shown an ability to make a model for this income bracket work privately but that it requires soft finance.

There are other inhibitors. The property market in the Inner City has strengthened owing to vast gentrification. This has increased the cost and decreased the supply of buildings available for redevelopment and conversion to affordable accommodation.

The price of municipal services to end users has increased dramatically. At the lowest end of the income and rental bands service charges as a percentage of the total rent and service bill are extremely high. The expanded social package has not been rolled out and nor is the quantum of saving that is currently built into the package sufficient to make an effective impact to monthly charges for the poor in rental accommodation.

In short, the ability of the private sector to expand this delivery is impacted by three things:

- The availability of affordable stock for conversion
- The cost of finance
- The cost of service charges

As indicated above it is expected that JOSHCO will deliver units under its existing programme that can accommodate rentals of as low as R750/mth. Given the private sectors risk appetite and need to deliver return to investors its target band will have to be above this.

Initial modelling suggests that with appropriate incentives the private sector could deliver rooms at rentals of about R1,400 per month – equating to about R700 per person sharing. Importantly this programme will need to be carefully monitored and calibrated to see if it works and whether there is any appetite to move further down market.

Programme 3: Subsidised Private Rental Rooms Accommodation Delivery

Overall Objective:	The objective of this programme is to provide a capital subsidy to private landlords to encourage them to deliver a larger number of rental rooms.
Intervention Type:	Conversion or refurbishment of existing stock.
Targeted Households (tenants):	Households earning between R2,100 and R3,000 a month
Precincts:	All
Housing Typology:	Medium-to High Density buildings with shared rooms (max 2 adults and 1 child) with communal ablutions
Implementing Agents:	Private sector developers facilitated by JDA (Development Facilitation)
Key Components / Overall Approach:	<p>Provision of either a once-off capital subsidy or operating subsidy (for restricted period - 5 years proposed- tied to the unit) to enable private developers to deliver such rooms at targeted rentals while ensuring that these projects are viable and deliver the required returns for investors.</p> <p>The subsidy amount would either be paid upfront as a grant or in a tranche system. Developers would need to meet two conditions:</p> <ul style="list-style-type: none"> • Ceiling rentals to be annually adjusted on the basis of an agreed percentage (say maximum 10%), restricted as such for a minimum of five years. The ceiling rental based on an amount of R700 (indicative in 2015 values) • All units comply with building regulations and meet CoJ defined minimum norms and standards • Units are made available to tenants earning below the threshold income set for this subsidy, namely R3000 per month at 2015 prices, indexed for CPI. • A minimum number of units must be provided by the developer to secure finance. This is to ensure both efficiency of the programme payouts and management of proposals as well as to encourage scale of development. Although units may be housed either in different buildings or in the same buildings a developer must develop and make available a minimum number of 50 units in order to qualify for the programme.

Programme 3: Subsidised Private Rental Rooms Accommodation Delivery

Eligibility:

Formal private sector developers with the demonstrated capability and track record to deliver at scale.

Programme Implementation:

Step	Activity	Responsible	Risks/ Issues
1. Institutionalise a private rental subsidy programme in CoJ	<ul style="list-style-type: none"> Obtain political approval for the concept of the subsidy Test the subsidy idea and quantum with JPOMA and other financial stakeholders (TUHF, Banks) Refine the proposition Determine the subsidy quantum and scale per year Finalize the budget commitments and secure initial funding Establish a monitoring and evaluation programme within the subsidy office. Develop the parameters for M&E of this programme Develop protocols and proforma agreements to be used for contracts between City and prospective developers 	CoJ Housing and JDA with external expertise	Resistance from CoJ Finance MFMA modalities to be resolved
2. Pilot the programme	<ul style="list-style-type: none"> Implement an initial pilot project to test the modalities of the fund and its implementation Invite proposals from private sector Select suitable proposals for pilot Ongoing monitoring and evaluation including an independent assessment 	JDA	Private sector resistance / lack of appetite if over complicated / regulated
3. Expand the project	<ul style="list-style-type: none"> Undertake a review and any required revisions to the design of the programme Secure additional funding Expand the programme 	JDA	Financial viability for private sector will be critical
4. Ongoing M&E	<ul style="list-style-type: none"> Implement a rigorous monitoring and evaluation programme that tracks progress as well as measures impact 	JDA and CoJ Housing	Critical to undertake annual audits of rent rolls and household incomes

Implementation Programme

Activity	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Component 1: 1. Feasibility Study and Model						
Financial modelling / feasibility study						
Test with stakeholders						
Secure Council approval						
Component 2: Pilot the programme						
Agree pilot Programme						
Establish Programme SteerCo						

Programme 3: Subsidised Private Rental Rooms Accommodation Delivery

Activity	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Implement and monitor pilot						
Independent review						
Component 3: Expand the project						
Review programme design						
Secure additional funding						
Expand the programme						
Component 4: Ongoing M&E						
Procure a service provider						
Design M&E programme						
Implement M&E programme						

Financial Implications:

Initial modelling indicates that a subsidy of about R60,000 is required in order for the private sector to deliver rooms to rental on a sustainable and profitable basis. However in order to increase competition and incentive innovation it is proposed that the actual subsidy offered be slightly lower at R40,000 per unit. This will need to be negotiated, reviewed and recalibrated if necessary (e.g. in the event of no uptake).

Programme Budget:

Year #	1	2	3	4	5	Total
Financial Year	2016/17	2017/18	2018/19	2019/20	2020/21	
Number of Accommodation Units	300	300	300	300	300	1500
Number of People Assisted	900	900	900	900	900	4500
Total Programme Cost	R 51 300 000	R 55 404 000	R 59 976 288	R 65 113 969	R 70 990 738	R 302 784 995
Capital cost	R 49 800 000	R 53 784 000	R 58 086 720	R 62 733 658	R 67 752 350	R 292 156 728
Operating cost	R -	R -	R -	R -	R -	R -
Programme Management costs	R 1 500 000	R 1 620 000	R 1 889 568	R 2 380 311	R 3 238 387	R 10 628 267

Institutional & CoJ Capacity Implications:

The JDA (Facilitation) together with CoJ Housing will require capacity to establish a programme within a subsidy as well as to elicit proposals from private sector, judge and select proposals, allocate subsidies and to provide oversight.

5.2.4 Delivery Programme 4: Social Rental Housing

Programme 4: Social Rental Housing

Definition and Problem Statement:	The Social Housing Programme in South Africa is to create well-located, affordable (mostly greenfields) rental housing stock in South Africa's major urban areas that frees its occupants from on-going government dependency, and contributes to the restructuring of urban areas.
Sub-Programmes:	<p>The Social Housing Delivery Programme includes the following sub-components:</p> <ul style="list-style-type: none"> • CoJ Social Housing Support: Developing a city-wide (inner-city focused) policy, support programme, agreements with partners and implementation plan for SH development in the Inner City. • COJ-Developed Social Housing: Social housing developed and managed on behalf of the CoJ by JOSHCO.
Overall Objective:	Creation of a pipeline of Social Housing projects in the City of Johannesburg (and specifically in the Inner City) to create new middle-income and affordable subsidised rental stock and to accelerate the restructuring of Johannesburg's Inner City landscape.
Intervention Type:	<p>The following Social Housing Intervention Types are envisaged for the Inner City:</p> <ul style="list-style-type: none"> • Greenfields Social Housing Development: Conventional Social Housing financed using Restructuring Capital Grant and Institutional Subsidy developed on vacant land held and managed by accredited Social Housing Institutions. • Brownfields Social Housing Development: Conventional Social Housing financed using RCG and IS financed social housing stock developed through upgrading or conversion of existing building stock.
Targeted Households (tenants):	<p>Social Housing projects will target three specific income groups of households (note likely change to income bands by NDHS). Note however that substantially lower income targets can be achieved through sharing of SH units:</p> <ul style="list-style-type: none"> • Secondary Target Market: Households earning from R3 500 to R7 500 pm (Potential new thresholds: R7 500 to R10 500 pm) • Primary Target Market: Households earning from R1 500 to R3 500 pm (Potential new thresholds: R3 500 to R5 500)
Precincts:	<p>Social Housing developments should be targeted at three alternative land use types, which generally occur in different precincts:</p> <ul style="list-style-type: none"> • Infill Vacant land parcels: A normal greenfields SH development requires a vacant site of approximately 4 Ha or more, in order to yield 250 or more units at a density from 60 units per hectare upwards. Such sites exist throughout the Inner City and must be audited and targeted individually. Most likely target precincts / areas are: <ul style="list-style-type: none"> – Bertrams / Troyeville Corridor (vacant land and potential expropriation / purchase and redevelopment of derelict housing stock above Berea Road).

Programme 4: Social Rental Housing

- **Park Station Precinct** (Negotiating for Prasa land contiguous to the railway north of Carr St and opposite Smit Street)
- **Pageview** vacant land
- **Restructuring Vacant Land Parcels:** SH as a restructuring instrument should be focused on land
- **Old Mining Zone:** Land along the periphery of old mining zone now available for development
- **Existing Buildings:** Existing residential (for refurbishment) or commercial medium or high-rise (for conversion) buildings. Generally, such buildings should yield over 100 units of accommodation. Such buildings must be procured on the open market, or through targeted intervention (Bad Buildings Programme) by the City:
- **Sectional Title** buildings of sufficient size are concentrated in Hillbrow and Berea
- **Commercial Buildings** for conversion are concentrated in Johannesburg SP and Doornfontein.

Housing Typology:

Social Housing Typologies include:

- **Prevailing greenfields typology** is medium-density development (three to four storey 'walkup'; structures) comprising predominantly two-bedroom, as well as bachelor and one bedroom apartments. This is likely to form the majority of future SH stock.
- **Brownfields typology** is conversion or upgrading of high-rise buildings (5 to 30 floors) into rooms with shared facilities, bachelor, one and two-bedroom apartments. This is likely to remain a minority of SH developments undertaken due to difficulties in matching the subsidy methodology to brownfields construction, and competitive pricing of Inner City buildings from commercial operators.

Implementing Agents:

Social housing that is subsidised by the City rather than supported through the national subsidy programme is conceived, planned, developed and implemented by JOSHCO

Subsidised SH developments should be developed with inputs from the CoJ (Housing), SHIs operating in the area, GDHSS and the Social Housing Regulatory Authority. Significant work has been undertaken into potential project locations for SH by NASHO and the CoJ. This should be the basis for embarking on site identification for potential projects.

The development of a defensible project pipeline should be based on clear agreements between all partners required for implementing Social Housing.

Key Components / Overall Approach:

The Social Housing Programme will be based on the following components:

Social Housing Support, including:

- **Political Support:** SH must be afforded highest level political support, and undertakings to limit political interference in the sub-sector's operation.
- **Development Support:**

Programme 4: Social Rental Housing

- Within the Inner City and in targeted zones (transportation corridors) the City will prioritise the allocation of suitable available land and public buildings for development for social housing. The first priority of such buildings will be for poorest residents as contemplated in the municipal rental programme. It will also include the development of rooms with shared ablutions and facilities in cluster configuration.
- Precinct plans in the Inner City and along corridors must identify suitable sites for social housing development
- Building applications for social housing developments will be fast tracked through a social housing support unit or sub-unit within Housing Department/Development Planning dedicated to fast-tracking developments that provide units at scale for targeted income groups.
- MoUs & SLAs: Clear agreements and undertakings between SHRA, GDHSS, CoJ and SHIs is required regarding roles, functions, financing, support and targets for SH development. This should include at minimum:
 - A Memorandum of Understanding / SLA between CoJ and each key SHI
 - A Memorandum of Understanding / SLA between the CoJ and the SHRA and GPF
 - A Memorandum of Understanding / SLA between the CoJ and Province
- SH Project Pipeline: the CoJ, JOSHCO and other SHIs must develop and regularly update a project pipeline. The rate and scale of delivery of units for each income bracket must be monitored by CoJ Department of Housing

CoJ SH Development: This programme will entail ensuring the CoJ and JOSHCO clearly identify and contract on SH opportunities and requirements within the Inner City area. A scaling up of delivery of units for the poor must be prioritised. In this regard shared rooms with communal facilities must take preference. Where possible developments should include a mix of units. A social housing ladder should be developed with the option of households moving to larger or smaller units depending on changes in their economic circumstances.

Eligibility:

Any SHI that develops or wishes to develop SH within the CoJ's Inner City is eligible to participate in this programme.

Programme Implementation:

Step	Activity	Responsible	Risks/ Issues
1. Establish a CoJ Smart Partner programme for SH	<ul style="list-style-type: none"> • Engage with SHRA, HDA, GDHSS, NASHO partners (specifically JHC, Madulamoho and smaller active SHIs) and JOSHCO to implement CoJ Social Housing Programme • Establish a SH task team of SH providers in Johannesburg • Establish a CoJ based NASHO 'Smart Partner' programme, including approach to property release, SH support, rates rebates, etc) 	JOSHCO and JDA	City focuses solely on JOSHCO SH delivery

Programme 4: Social Rental Housing

	•		
2. Enter into SH 'Smart Partnership' agreements	<ul style="list-style-type: none"> Formalise 'Smart Partner' Agreement between CoJ, SHIs, SHRA, HDA and GDHS Set CoJ SH delivery targets and obligations Develop CoJ Inner City SH Project Pipeline with SHIs 	JOSHCO and JDA	Ensure MFMA compliance to NASHO experience
3. Define SH Inner City Focus Areas	<ul style="list-style-type: none"> Develop a SH action plan that identifies key SH precincts for attention (e.g. Park Station and Ellis Park Stations). Determine the appropriate social housing package and combination of units for the identified precincts (given conditions, demand, existing supply in the area), identify and prioritise land (City land, private land, existing buildings) within an area based approach that takes cognisance of the development in the surrounding precinct and is led by the local precinct plan 	JOSHCO and JDA with external team including expert property broker/s	Raised awareness of CoJ property assembly raises prices.
4. Secure Financing	<ul style="list-style-type: none"> Secure MTSF budget for property assembly for SH programme over 5-year period Work with HDA for land identification and assembly 	Housing, Finance, GDHS, SHRA.	Non-synchronised funds from four entities.
5. Target & Assemble	<ul style="list-style-type: none"> Target and secure identified vacant land holdings Mobilise public owned stock Develop arrangements for lease of public property Purchase, procure, expropriate, consolidate 	JOSHCO and JDA	Increased property values Loss of focus required for expropriations
6. Release land to SHIs	<ul style="list-style-type: none"> Package land and/or buildings to SHIs for project development Release to SHIs on basis of Smart Partner and Pipeline commitments 	JOSHCO and JDA	Lack of suitable, affordable, consolidated land and buildings will limit future SH growth
7. Ongoing M&E	<ul style="list-style-type: none"> Implement a rigorous monitoring and evaluation programme that tracks progress as well as measures impact against 'Smart Partner' and SH Pipeline. 	JDA and CoJ Housing	Lack of land release will tie up CoJ capital

Implementation Programme

Activity	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Component 1: Develop CoJ SH Approach						
Engage and define CoJ SH Approach						
Draft 'Smart Partnership' Framework						
Component 2: Finalise SH 'Smart Partnership'						
Draft and sign 'Smart Partnership' agreement with SHIs						
Sign MoUs with key Players (SHRA, GDHS, HDA)						

Programme 4: Social Rental Housing

Activity	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Component 3: Define SH Inner City Focus Areas						
Identify Key Precincts						
Plan, identify and prioritise landholdings						
Develop 'SH Action Plan' Implementation framework						
Component 4: Secure Financing						
Secure MTSF Budget for SH facilitation						
Component 5: Target and Assemble Properties						
Identify and Appoint SWAT team						
Mobilise Public Owned Stock & Develop Lease Arrangements						
Purchase, Procure, Expropriate, Consolidate						
Component 6: Release Land to SHIs						
Package land & Buildings for SHIs						
Release land /buildings to SHIs for Development						
Component 7: Monitoring & Evaluation						
M&E programme of Pipeline Implementation						

Financial Implications:

Opex: The SH Programme will require a dedicated official within the Housing function to drive the pipeline of projects from the CoJ's perspective. A subsidy/social housing unit should drive this work. **Capex:** The CoJ will be required to identify existing land parcels and/or buildings it owns to release at below market costs to SHIs wishing to develop SH in the City. This would augment the subsidy resources from SHRA and the GDHS available for SH, in order ensure SH meets city objectives. Buildings from Facilitation Programme 8 can also be released to SHIs on a preferential basis.

Programme Budget:

Year #	1	2	3	4	5	Total
Financial Year	2016/17	2017/18	2018/19	2019/20	2020/21	
Number of Accommodation Units	200	200	200	200	200	1 000
Number of People Assisted	1 080	1 080	1 080	1 080	1 080	5 400
Total Programme Cost	R 75 000 000	R 81 000 000	R 87 480 000	R 94 478 400	R 102 036 672	R 439 995 072
Capital cost	R 75 000 000	R 81 000 000	R 87 480 000	R 94 478 400	R 102 036 672	R 439 995 072
Operating cost	R -	R -	R -	R -	R -	R -
Programme Management costs	R -	R -	R -	R -	R -	R -

Programme 4: Social Rental Housing

Institutional & CoJ Capacity Implications:

The SH Delivery Programme must be facilitated within the City in order to streamline delivery. This is best located within the JDA (Development Facilitation).

SH Officer: A dedicated SH officer should be appointed to drive the development of the policy, agreements and pipeline, and to consistently drive pipeline projects from the City's perspective. The SH officer must have specialist property investment / development and investment skills, sufficient to assist with city identification, packaging and motivations for financial support to SHIs from the City, and to assist with negotiations with GDHS and SHRA.

A CoJ Smart Partnership forum of SHIs and stakeholders must be established by the Housing Department to consolidate and carry through a scaled up and fast-tracked social housing programme.

5.2.5 *Delivery Programme 5: Private Sector Rental Delivery Enhancement*

Programme 5: Private Sector Rental Delivery Enhancement

Definition and Problem Statement:	New small landlords (predominately BEE players) struggle to access finance at reasonable price. The reasons are primarily the lack of access to equity. While TUHF has pioneered housing finance in this area there is room for a significant scaling up of this programme to offer wider opportunity to BEE players as well as to increase the much needed supply of rental accommodation in the Inner City
Overall Objective:	To support small-scale Inner City landlords (with portfolios of <500 units) to acquire, refurbish and manage affordable rental housing stock.
Intervention Type:	Rehabilitation and/or conversion of commercial, light industrial buildings for residential use.
Targeted Households (tenants):	Households between R4,500 and R12,000 per month
Precincts:	Eastern and south-Eastern precincts: Bertrams, Yeoville, Bellevue, Bellevue East, Jeppe
Housing Typology:	Medium and high rise buildings (apartments), row housing, attached housing
Implementing Agents:	It is proposed that this programme be facilitated by JDA (Development Facilitation)
Key Components / Overall Approach:	<p>The programme will involve two key elements:</p> <ul style="list-style-type: none"> • The provision of City owned or acquired buildings to small BEE landlords where the arrears owed to the City will be written down on an agreed formula basis (as proposed in the ICPS programme) • The establishment of a Fund which will provide equity to these developers in order for them to access finance – the equity is both a

Programme 5: Private Sector Rental Delivery Enhancement

condition of access but also reduces the overall cost of financing required (i.e. reduces the amount of funding to be secured). The equity contribution should be structured to act as an incentive to good behaviour (e.g. in respect of building maintenance, debt repayments etc.) and would be structured as having both a cost and repayment obligation that would diminish over the same period as the finance (generally 5 to 7 years). In other words the small landlord would in effect receive this equity for free at the end of their loan repayment and if all obligations have been met.

The overall purpose is to support an important emerging sector in the Inner City that provides an important source of accommodation. The core strength of this model – which needs to be supported- is the close proximity and hands-on management of these developers of their units, i.e. they are not absent landlords.

The programme aims to minimise any market distortions and to retain the discipline of debt finance. Developing new formalised small-scale landlords will contribute to economic empowerment in the Inner City.

Eligibility:

B-BBEE small-scale landlords or prospective landlords

Programme Implementation:

Step	Activity	Responsible	Risks/ Issues
1. Tailor a CoJ specific model with TUHF	<ul style="list-style-type: none"> Define the range of housing typologies and the priority areas using information in the supporting research reports offered in this plan as well as the precinct profiles developed. Define the quantum of funding that CoJ will provide overall as well as per landlord/development. This to be defined in conjunction with TUHF-whether simply an augmenting of TUHF existing programme with CoJ contribution ring-fenced for particular target areas, or a separate stream of the Fund. Obtain political buy in for the concept and funding quantum Engage with TUHF and other financial stakeholders (GPF) to test and refine the proposition Finalize the budget commitments and secure initial funding 	CoJ Housing and DED with external expertise	Resistance from CoJ Finance MFMA modalities to be resolved
2. Establish a CoJ Small Landlord Fund	<ul style="list-style-type: none"> Formalize a partnership with the Trust for Urban Housing (TUHF) to manage implement the fund on behalf of the CoJ Allocate monies to the Fund 	CoJ Housing and DED with Legal	MFMA modalities to be resolved
3. Pilot the programme	<ul style="list-style-type: none"> Implement an initial pilot project to test the modalities of the fund and its implementation On-going monitoring and evaluation including an independent assessment 	TUHF	Availability of capital for loan finance for TUHF (i.e. expansion is dependent on TUHF being able to raise more capital)
4. Expand the project	<ul style="list-style-type: none"> Undertake a review and any required revisions to the design of the programme Secure additional funding Expand the programme with TUHF 	CoJ Housing and DED	

Programme 5: Private Sector Rental Delivery Enhancement

Step	Activity	Responsible	Risks/ Issues
5. Ongoing M&E	<ul style="list-style-type: none"> Implement a rigorous monitoring and evaluation programme that tracks progress as well as measures impact 	CoJ Housing and DED with TUHF and specialist evaluation experts	

Implementation Programme

Activity	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Component 1: 1. Feasibility Study and Model						
Financial modelling / feasibility study						
Test with stakeholders						
Secure Council approval						
Component 2: Finalise Partnership						
Negotiations with TUHF						
Finalise Partnership Agreement						
Component 3: Pilot the programme						
Agree pilot Programme						
Establish Programme SteerCo						
Transfer funds to TUHF						
Implement and monitor pilot						
Independent review						
Component 4: Expand the project						
Review programme design						
Secure additional funding						
Expand the programme						
Component 5: Ongoing M&E						
Procure a service provider						
Design M&E programme						
Implement M&E programme						

Programme 5: Private Sector Rental Delivery Enhancement

Financial Implications:

It is proposed that an initial R 15 million contribution from CoJ be secured. The Fund would have a ceiling in respect of both the size of project as well as level of equity to be provided. These are proposed as R500,000 and 30% respectively (this is based on insight from TUHF and its GPF Inthuthuko Fund that typical first-time landlord funding requirements are in the region of R2 million with an equity requirement of some R500,000). Effectively R10 million in capital grants annually will finance some 20 new BEE landlords per annum.

Programme Budget:

Year #	1	2	3	4	5	Total
Financial Year	2016/17	2017/18	2018/19	2019/20	2020/21	
Number of Accommodation Units	100	100	100	100	100	500
Number of People Assisted	250	250	250	250	250	1 250
Total Programme Cost	R 17 233 001	R 18 611 641	R 20 240 540	R 22 199 362	R 24 642 962	R 102 927 505
Capital cost	R 15 733 001	R 16 991 641	R 18 350 972	R 19 819 050	R 21 404 574	R 92 299 238
Operating cost	R -	R -	R -	R -	R -	R -
Programme Management costs	R 1 500 000	R 1 620 000	R 1 889 568	R 2 380 311	R 3 238 387	R 10 628 267

Institutional & CoJ Capacity Implications:

JDA (Development Facilitation) will be required to develop the capacity to develop this partnership with TUHF a (who should be the main implementing partner) and GPF.

5.2.6 Delivery Programme 6: Subsidised Ownership Accommodation

Delivery Programme 6A: First-Time Homeowners (FLISP)

Programme 6A: First-Time Homeowners (FLISP)

Definition and Problem Statement:

A developer delivered formal house on a serviced stand, developed to a specified level of service and a top structure of between 40 and 80m² house. The purchase is funded by privately provided mortgage backed loan with or without the FLISP.

FLISP is the subsidy that provides government support in the affordable housing sector. The purpose of FLISP⁵ is to 'enable sustainable and affordable first time homeownership opportunities to South African citizens and legal permanent residents earning between R3,501 and R15,000 per month (the "affordable" or "gap" market)'. Qualifying applicants may use FLISP to do one of the following:-

- buy an existing, new or old, residential property
- buy a vacant serviced residential-stand, linked to an NHBRC registered homebuilder contract; or
- build a residential property on a self-owned serviced residential stand, through an NHBRC registered homebuilder.

The once-off FLISP subsidy amount ranges between R10 000 and R87 000, depending on the applicant's monthly income. The maximum price of a property that can be financed through FLISP is R300 000. The sliding scale applied results in the subsidy making a more substantial difference to affordability for applicants at the lower end of the scale, than those at the higher end.

The following supply and demand constraints impact on this type of housing:

- **Supply :**
 - Limited access to developable land
 - Extended periods for municipal planning and proclamation approvals.
 - Lack of access to bridging finance for Developers.
 - Affordability and creditworthiness constraints of households and unrealistic market expectations which has impacted on the risk appetite of developers. This means that developers prefer to sell off plan, developing a limited number of serviced stands so as to as closely as possible match sales. This reduces the ability to benefit from economies of scale.
 - Poor municipal level management and capacity which results in Developers often having to take over the supply of community services for example building schools and parks.
- **Demand:**
 - There are extremely high levels of indebtedness of consumers.
 - Lack of access to affordable end user mortgage finance.

⁵ National Housing Finance Corporation pamphlet

Programme 6A: First-Time Homeowners (FLISP)

- There is marketing distortion as a result of Subsidy Housing.
- Unreliability of the FLISP subsidy.

Overall Objective:	To offer affordable housing on an ownership basis to qualifying evictees as an alternative to rental
Intervention Type:	Development of new stock for ownership on greenfield land (including infill housing development)
Targeted Households (tenants):	Households earning between R6,500 – R15,000 Households who have been evicted from overcrowded sectional title buildings, bad buildings or other forms of accommodation which require the removal of a portion of the households.
Precincts:	Within the Inner City this intervention is most appropriate to Berea, Bertrams, Yeoville This intervention should also be offered on Greenfields land outside of the Inner City
Housing Typology:	A single house on a stand developed by a private sector developer to different sizes and specifications as follows: For households earning between R3,500 – R6,500: A housing product of between R183,000 and R242,000 using the Finance Linked Individual Subsidy (FLISP). If the FLISP subsidy is not available the affordability for a housing product decreases to R96,000 and R175,205. For households earning between R6,501 - R13,000: A housing product of between R242,000 and R378,000 (using the FLISP subsidy). If the FLISP subsidy is not available the affordability for a housing product decreases to R175,205 and R358,500. For households earning between R13,001 – R18,000: A housing product of between R358,000 and R491,000.
Implementing Agents:	Private sector developers assisted by Housing Department
Key Components / Overall	<ul style="list-style-type: none"> • The City should prioritise development of super blocks for third party development. Such land parcels should be south along the Corridors of Freedom as well as on defunct mining land in the southern Inner City belt, in Denver.

Programme 6A: First-Time Homeowners (FLISP)

Approach:

- Additionally, infill housing developments on vacant land in Bertrams, Troyeville, Jeppe and Pageview should be earmarked for small compact developments of walk-ups.
- The City partners with private developers to undertake specific projects that will provide appropriate products for the affordable market.
- The City actively supports the developer to implement the project including :
 - Ensuring bulk infrastructure is in place.
 - Facilitating that planning approval is undertaken speedily.
 - Expediting the issuing of clearance certificates on sale transactions.
 - Providing for preferential development contributions.
 - Providing access to affordable serviced land.
 - Providing access to FLISP
 - Providing access to social and economic amenities and transportation routes

Eligibility:

Households must have been evicted from overcrowded sectional title buildings, bad buildings or other forms of accommodation which require the removal of a portion of the households in the Inner City of Johannesburg.

The head of the household must meet the eligibility requirements for the national subsidy programme as follows:

- South African citizen with a valid ID; or permanent residents with a valid permit
- Over 18 years and competent to legally contract
- Never have benefitted from a Government Housing Subsidy Scheme before
- Have an Approval in Principle of home loan from an accredited South African financial institution
- Be a first time home buyer, earning from R3 501 to R15 000 per month
- Purchasing a residential property in a formal town where transfer of ownership and registration of mortgage bond is recordable in the Deeds Office.

Programme Implementation:

Step	Activity	Responsible	Risks/ Issues
1. Identify suitable projects	Identify suitable projects / partners developing units for sale Projects should align with overall City planning objectives and the principles	COJ HS	Sufficient market demand and affordability / credit

Programme 6A: First-Time Homeowners (FLISP)

	of the ICHIP		worthiness of households
<i>Step</i>	<i>Activity</i>	<i>Responsible</i>	<i>Risks/ Issues</i>
2. Develop support programme	<ul style="list-style-type: none"> Engagement /liaison with Banks and mortgage originators Engagement with property brokers and developers 	Appointed professional expertise	
3. Secure Subsidies	<ul style="list-style-type: none"> Engage with NHFC (as custodian of FLIP) to secure subsidies and agree protocol 	COJ HS	Availability of subsidy allocation
4. Apply for the reservation of project funding	<ul style="list-style-type: none"> Develop and submit funding application for FLISP (with NHFC) Receive approval to proceed with project 	COJ HS	
5. Identify and develop partnership agreement with developers	<ul style="list-style-type: none"> Issue call for proposals, review and select developers with which to partner with. Sign agreements. The basis of the agreement to be as follows: <ul style="list-style-type: none"> COJHD to guarantee a specified amount of FLISP subsidy per development and to assist the developer to be accredited as a developer in respect of FLISP COJHD to expedite the approval of layout plans The developer is required to undertake planning, township establishment, development and sale of the units 	COJ HS	
6. Oversee implementation	<ul style="list-style-type: none"> Monitor progress and quality of implementation Provide support in addressing problems should they arise 	Developer/COJ HS	

Implementation Programme:

<i>Activity</i>	<i>2015/16</i>	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>
• Set criteria for the selection of projects						
• Finalise arrangements with NHFC, Banks etc.						
• Secure FLISP funding						
• Issue call for proposals, review and select developer						
• Sign development agreement with developer						
• Monitor progress and quality of implementation						
• Provide support in addressing problems should they arise						

Programme 6A: First-Time Homeowners (FLISP)

Financial Implications:

Funding is required to undertake the identification and feasibility study so as to select the projects and to secure the FLISP subsidy.

<i>Year #</i>	1	2	3	4	5	Total
<i>Financial Year</i>	2016/17	2017/18	2018/19	2019/20	2020/21	
Number of Accommodation Units	100	100	100	100	100	500
Number of People Assisted	500	500	500	500	500	2 500
Total Programme Cost	R 6 082 500	R 6 569 100	R 7 094 628	R 7 662 198	R 8 275 174	R 35 683 600
<i>Capital cost</i>	R 4 582 500	R 4 949 100	R 5 345 028	R 5 772 630	R 6 234 441	R 26 883 699
<i>Operating cost</i>	R -	R -	R -	R -	R -	R -
<i>Programme Management costs</i>	R 1 500 000	R 1 620 000	R 1 749 600	R 1 889 568	R 2 040 733	R 8 799 901

Institutional & CoJ Capacity Implications:

The programme should be the responsibility of a COJHD programme manager. Support will be required from the legal department to develop the development agreement to be signed with the developer.

The following specialist expertise will be required: Professionals : to undertake land identification, feasibility assessments

Delivery Programme 6B: Medium-Density BNG

Programme 6B: Medium-Density BNG

Definition and Problem Statement:

Eligible households receive registered ownership to a serviced stand and a completed 40 - 45m² duplex or row house. This is fully funded by the state.

The intent of the programme is to offer subsidised ownership accommodation both inside and outside of the Johannesburg Inner City so as to reduce overcrowding. The units developed through this programme are targeted primarily at very low-income households who have been evicted from overcrowded sectional title buildings, bad buildings or other forms of accommodation which require the removal of a portion of the households, and where households opt for ownership rather than rental or cannot afford available rental alternatives. The intent of the programme is to offer qualifying households a unit for ownership as an alternative to rental accommodation offered through Programmes 2 and 3. This will provide households with a choice especially those who have very low incomes thus making it difficult to pay rental on a monthly basis. The key aim of this programme is to ease the SPRE process by offering households another accommodation option. A key success factor of this programme is that the housing opportunities provided must be as close to the Inner City as possible and on transportation networks. The housing should be as well located as possible in terms of accessing economic opportunity and urban amenities.

Overall Objective:

To offer subsidised housing units (medium density) on an ownership basis to qualifying evictees as an alternative to rental accommodation in the Inner City

Intervention Type:

Development of new stock for ownership on greenfield land

Targeted Households (owners):

Households earning below R3,500

Evictees from accommodation where the state is obliged to provide alternative accommodation and where tenant accommodation is not a viable option

Precincts:

Within the Inner City this intervention is most appropriate to Denver, Faraday, Jeppestown and the Southern belt

This intervention should also be offered on Greenfields land outside of the Inner City

Programme 6B: Medium-Density BNG

Housing Typology:	Duplex units, walk ups or row houses to maximise densities. Each unit is approximately 40 - 44m ² as required in respect of the National Subsidy Programme
Implementing Agents:	The implementing agent is the City of Johannesburg Housing Department who should appoint developers/contractors to undertake the development of the projects
Key Components / Overall Approach:	<ul style="list-style-type: none"> • The City undertakes medium density projects on well located Greenfield land whereby beneficiaries receive a formal unit on an ownership basis. • This could be part of a super block or mega project development. • Units are provided free of charge to eligible households (incomes below R3,500 that meet subsidy eligibility criteria) in terms of defined allocation procedures. • Households with incomes of above R 3 500 would also be able to access units but on a cost recoverable for sale basis. • A queuing system that takes due regard of existing waiting list systems and systems of prioritisation must be developed to avoid perverse incentives for occupying Inner City buildings • The City should prioritise development of super blocks for third party development. Such land parcels should be south along the Corridors of Freedom as well as on defunct mining land in the southern Inner City belt, in Denver. • Additionally, infill housing developments on vacant land in Bertrams, Troyeville, Jeppe and Pageview should be earmarked for small compact developments of RDP walk-ups.
Eligibility:	<ul style="list-style-type: none"> • Households must have been evicted from overcrowded sectional title buildings, bad buildings or other forms of accommodation which require the removal of a portion of the households in the Inner City of Johannesburg. • The head of the household must meet the eligibility requirements for the national subsidy programme as follows: <ul style="list-style-type: none"> – Citizenship: An applicant must be a citizen of the Republic of South Africa, or be in the possession of a Permanent Resident Permit. – Competent to Contract: An applicant must be legally competent to contract (i.e. over 18 years of age, or married or divorced and of sound mind). – Not yet benefited from Government Funding: An applicant or his or her spouse may not have received previous housing benefits from the Government. In the event of a divorce involving a person who previously derived benefits, the terms of the divorce order will determine such person's eligibility for further benefits.

Programme 6B: Medium-Density BNG

- First time property owner: An applicant or his/her spouse may not have owned and/or currently own a house. Except for the following cases:
- Disabled persons
- Persons who: own a vacant stand that was obtained through the Land Restitution Programme; have acquired a residential property for the first time without Government assistance and the house/dwelling on the property,
- Married or Cohabiting: An applicant is married (in terms of the Civil Law or in terms of a Customary Marriage) or habitually cohabits with any other person.
- Single with Financial Dependents: He or she has proven financial dependents.
- Monthly household income: Has a gross monthly household income of R3,500 or below.

Programme Implementation:

Step	Activity	Responsible	Risks/ Issues
1. Identify Greenfield land parcels	The criteria for development include: <ul style="list-style-type: none"> • Land must be well located in respect of urban amenity and access to transportation routes • The development of dense affordable housing must be in alignment with the IDP and with spatial development frameworks. • The land parcels do not have to be large tracts of Greenfield land outside of the Inner City but could be smaller parcels of infill land. • Development must be undertaken in an area based manner with regard to surrounding uses and to the development of balanced neighborhoods that offer a range of facilities and access to economic opportunity and are not mono-functional residential spaces • Available public sector land should be prioritised 	COJ HD	Availability and cost of land / properties "NIMBY" factor
2. Detailed feasibility study of land parcels	<ul style="list-style-type: none"> • Select well located land parcels that offer potential • Undertake feasibility study of land parcels and select those that have highest potential 	Appointed professional expertise	
3. Apply for the reservation of project funding	<ul style="list-style-type: none"> • Develop and submit funding application • Receive approval to proceed with project 	COJ HD	General HSDG funding allocations
4. Planning and township establishment	<ul style="list-style-type: none"> • Purchase land or conclude a land acquisition agreement with an owner if the land is not already owned by COJ • Appoint professionals to undertake planning and township establishment if required. Planning to include layout and top structure design (duplex, row houses, walk-ups) 	Appointed professional expertise	

Programme 6B: Medium-Density BNG

Step	Activity	Responsible	Risks/ Issues
5.	Appoint contractor <ul style="list-style-type: none"> Select the contracting strategy i.e. turnkey, traditional preplanned contracting strategy or development contract Develop project plan Issue call for proposals, review and select contractor 	COJ HD	
6.	Oversee implementation <ul style="list-style-type: none"> Appoint contractor Monitor progress and quality of implementation Process payments as per agreed milestones 	Contractor/COJ HD	

Implementation Programme

Activity	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
• Set criteria for the selection of land parcels.						
• Review Greenfield land parcels						
• Select well located land parcels that offer potential						
• Undertake feasibility study of land parcels and select						
• Secure funding						
• Purchase land or conclude a land acquisition agreement						
• Appoint professionals to undertake planning and township establishment if required.						
• Select the contracting strategy						
• Develop project plan						
• Issue call for proposals, review and select contractor						
• Appoint contractor						
• Monitor progress and quality of implementation						
• Process payments as per agreed milestones						

Financial Implications:

This programme will be funded using the IRDP. Given that the housing typology is duplex, row houses or three story walk-ups it is likely that it will require additional funding over and above the subsidy allocation. This funding will be required from the COJ HD CAPEX.

The estimated total cost per housing unit is some R 268,500 – this covers land, services and top-structure development.

The current national housing subsidy amount available for the top-structure is R 110,947. This excludes the cost of a geyser which is paid by NERSA

Programme 6B: Medium-Density BNG

Programme Budget:

Year #	1	2	3	4	5	Total
Financial Year	2016/17	2017/18	2018/19	2019/20	2020/21	
Number of Accommodation Units	100	100	100	100	100	500
Number of People Assisted	500	500	500	500	500	2 500
Total Programme Cost	R 30 390 000	R 33 404 400	R 36 706 608	R 40 323 381	R 44 283 916	R 185 108 305
Capital cost	R 26 850 000	R 28 998 000	R 31 317 840	R 33 823 267	R 36 529 129	R 157 518 236
Operating cost	R 540 000	R 1 166 400	R 1 889 568	R 2 720 978	R 3 673 320	R 9 990 266
Programme Management costs	R 3 000 000	R 3 240 000	R 3 499 200	R 3 779 136	R 4 081 467	R 17 599 803

Institutional & CoJ Capacity Implications:

The programme should be the responsibility of a Housing Department programme manager.

The following specialist expertise will be required:

- Professionals : to undertake land identification, feasibility assessments, planning and township establishment
- Contractor : to undertake servicing and top structure development

5.3 Facilitative / Supportive Programmes

5.3.1 Facilitation Programme 1: Special Programme for Relocation of Evictees (SPRE)

Facilitation Programme 1: Special Programme for Relocation of Evictees (SPRE)

Overall Objective:	<p>A basis for providing households evicted from buildings as they are being upgraded and rehabilitated, and who are unable to access alternative housing with temporary emergency accommodation (TEA) options. The programme will comprise systems and processes through which both public and private sector entities can channel households into alternative accommodation as they upgrade or rehabilitate a building.</p> <p>The programme will be linked to all the delivery programmes that offer both short and long term accommodation developed within the CoJ's broader housing programmes with the understanding that it will incrementally make more accommodation options available, which will then become viable alternative housing options for evictees.</p>
Intervention Type:	<p>This is a Facilitation Programme. It is aimed at the identification and screening of evictees as well as the provision of support and allocation to temporary emergency accommodation or directing evictees to alternative accommodation where possible.</p>
Targeted Households (tenants):	<p>All households evicted legally or illegally from:</p> <ul style="list-style-type: none">• CoJ properties• Private properties
Precincts:	<p>All precincts affected by evictions</p>
Implementing Agents:	<p>The SPRE Policy envisages the creation of a dedicated unit which will drive processes related to the implementation of SPRE. The SPRE Unit will be in City Manager's/ COO's Office with support from the Department of Housing.</p> <p>The SPRE Unit will work closely with other Directorates in the Department of Housing as well as other Departments of the CoJ, for instance:</p> <p>Other Directorates in the Housing Department:</p> <ul style="list-style-type: none">• Acquisition, development and maintenance of TEA facilities• Sufficient funding allocations for the implementation of SPRE• Ensuring that any action taken in the application of the By-law on Problem Properties (2014) and which could result in an eviction, will

Facilitation Programme 1: Special Programme for Relocation of Evictees (SPRE)

be taken in consultation with the SPRE Unit

- Ensuring that any programmes of the CoJ Department of Housing take into account the need to develop sufficient housing stock suitable for evictees, such as Communal Residential Units and sub-economic housing. This includes advocacy for the inclusion of such units in the Inner City Property Scheme (ICPS)
- This should also be the case with respect to planning for the Corridors of Freedom and the incorporation of social housing and TEA into these corridors.

Other Departments within the CoJ

- Ensuring that any action taken by the Emergency Management Services of the CoJ, and which could result in an eviction, will only be taken after consultation with the SPRE Unit (unless the nature of the emergency requires very urgent action which precludes prior consultation with the SPRE Unit)
- Ensuring that the Department of Social Development is involved in the ongoing engagement with evictees and understand the aims and processes of SPRE
- Ensuring that council security services secure buildings or land once relocation of the occupiers (and their property) of such buildings or land has been completed
- Ensuring that Group Legal acts strategically in accordance with the aims and processes of the SPRE Policy

Provincial Government

- Seeing as evictions are regarded as emergencies, provincial emergency funding should be available to municipalities for TEA. The CoJ through the SPRE Unit will attempt to access some of these funds for SPRE
- Based on the Breaking New Ground Policy and the Housing Code the Gauteng provincial Department of Human Settlements should budget for the provision of Temporary Emergency Accommodation within the province
- Furthermore with the provincial human settlement planning should incorporate the provision of TEAs into their planning for the proposed mega housing projects being formulated at present

Private sector stakeholders

The private sector will play an important role in the implementation of SPRE either as contractors or as property owners and developers. The SPRE Unit will work with the private sector in the following ways:

- Contracting service providers to develop, maintain and manage TEA facilities. This will be done according to the CoJ's procurement rules
- Engaging private sector developers to find ways to promote the development of housing stock accessible to low income evictees as

Facilitation Programme 1: Special Programme for Relocation of Evictees (SPRE)

Key Components / Overall Approach:

per Programme 2 proposed in the Inner City Housing Strategy and also in terms of making a contribution to inclusionary housing, making a percentage low income housing units available in every private housing development undertaken. While there is no enforceable policy on this at present it has recently become a focus of the Gauteng Department of Human Settlements again

- Engaging private property owners to consider alternatives and avoid evictions as per the SPRE Policy and Guidelines

Any approach by the CoJ in relation to evictions and housing must be reasonable, including that it must be:

- Sufficiently flexible to respond to immediate housing needs;
- Procedurally fair;
- Ensure meaningful engagement;
- Give effect to legitimate expectations;
- Be consistent with existing state policies;
- Plan for and procure resources to meet emergency housing needs;
- Assist occupiers to access affordable housing alternatives;

Five categories of circumstances under which SPRE would be invoked are identified:

Category 1 – Strategic Purposes

- SPRE Unit will initiate the application in circumstances where SPRE is to be invoked for strategic purposes.
- The City Manager will sign off any category 1 invocation.

Category 2 – Pending Litigation

- SPRE Unit will initiate the invocation of SPRE in circumstances where following meaningful engagement it emerges an Occupier will not be able to access or qualify for alternative accommodation.
- Individual Occupier will register for the invocation of SPRE and provision of TEA.
- The head of the SPRE Unit and a suitable representative of Group: Legal and Compliance will sign off any category 2 invocation.

Category 3 – Following a Court order

- SPRE will be automatically triggered by an eviction order.
- Any Occupier who has still not accessed alternative accommodation or who did not previously register for TEA accommodation will

Facilitation Programme 1: Special Programme for Relocation of Evictees (SPRE)

need to register at this stage.

- Individual Occupier will register for the provision of TEA.
- The head of the SPRE Unit and a suitable representative of the Group Head: Legal and Compliance will sign off any category 3 invocation.

Category 4 – Temporary Emergency Situation Housing

- SPRE Unit in consultation with the Emergency Management Services will initialize the invocation of SPRE.
- Affected individuals will register for the provision of TEA
- Head of the SPRE Unit will sign off any invocation category 4.

Category 5 – Individual Evictions

- An affected Individual or household can apply for the invocation of SPRE in circumstances where an eviction order has been granted and he or she faces homelessness.
- The affected individual will submit all relevant information for the SPRE Unit to assess the possibility of homelessness.
- Head of SPRE Unit will sign off any invocation of category 5.

Eligibility:

All households who have been evicted, legally or illegally, from buildings or land, CoJ or privately owned.

Programme Implementation:

To be undertaken by dedicated SPRE unit as soon as it is set up. See detailed Implementation Plan below.

Implementation Programme

Action	Description	When?	Who?	Outcome
1. Approval of SPRE Process	1.1 Undertake consultation process with proposed SPRE policy	August 2015 – September 2015	Housing Department	All stakeholder inputs taken on board and buy-in secured
	1.2 Obtain council approval	October 2015	Housing Department	Approved SPRE policy and guidelines
2. Set up SPRE unit	2.1 Design unit organisational and reporting structures and procedures, responsibility matrix and job descriptions	October 2015	Housing Department	SPRE unit established and operational
	2.2 Identify and re-deploy/appoint internal staff/procure external staff respectively as necessary	November 2015	Housing Department	

Facilitation Programme 1: Special Programme for Relocation of Evictees (SPRE)

Action	Description	When?	Who?	Outcome
3. Secure Budget for current financial year	3.1 Establish availability of funds for current financial year - Engage internally with finance and other departments to establish where there might be anticipated underspend for the year, and therefore, possibilities for re-direction of budgets at mid-year adjustment point.	October 2015	Housing Department	Realistic indication of available funds for current financial year
	3.2 Align preliminary budgets submitted with SPRE policy and approved by council, with actual availability of funds - Re-work the preliminary budgets for current financial year to align with availability of funds. This should include adjustments to amounts provided for acquisition and construction/ conversion/ refurbishment of new TEA facilities to allow for:	November 2015	Housing Department	Realistic budgets for current financial year for priority maintenance and space optimisation in existing facilities, as well as acquisition and construction/conversion/refurbishment of new facilities
	<ul style="list-style-type: none"> • Conducting rationalisation of CoJ's property lists, identification of available suitable land and buildings for new TEA facilities and pre-feasibility studies on selected properties, including the 6 recently acquired JOSHCO properties • Priority maintenance work required on existing facilities, and the possible addition of accommodation space to existing facilities by adding lightweight structures on roofs and/or other ways of optimising space in existing facilities 3.3 Prepare motivation, submit adjusted budget for current financial year to council and obtain approval of adjusted 2015/16 budget	November 2015	Housing Department/SPRE unit	Approved adjusted 2015/16 budget

Facilitation Programme 1: Special Programme for Relocation of Evictees (SPRE)

Action	Description	When?	Who?	Outcome
4. Re-assess budgets for future years, and adjust as necessary, first for 2015/16 year, and then on an annual basis (with bi-annual adjustments as necessary)	<p>4.1 Following rationalisation of CoJ's property lists, identification of additional land and buildings available, and feasibility investigations on these:</p> <ul style="list-style-type: none"> Develop a realistic physical implementation programme Allocate costs and budgets to each financial year in accordance with the above <p>Prepare and submit motivations and obtain council approval for budgets proposed for remainder of MTEF and beyond. This may require budgets to be extended beyond the five year time horizon as currently submitted</p>	August 2015 to June 2020/21	SPRE unit	Realistic annual budgets and available funds for phased physical implementation of the TEA facilities programme
5. Assess and shortlist list of properties for re-development into new TEA facilities (land and buildings)	<p>5.1 Follow steps 1-4 below for properties on the list: Step1: Obtain all desk-top legal, townplanning and other pertinent information about the properties Step 2: Shortlist and prioritise most suitable properties for further investigation and study Step 3: Conduct preliminary in-situ visual inspection and assessment of building and vacant site conditions, followed by formal specialist structural integrity and services assessments, and the development of development proposals and feasibility studies Step 4: Appoint professional teams and implement re-development of the properties</p>	<p>August – October 2015</p> <p>November 2015 – December 2017</p>	Housing Department	<p>Shortlisted Projects feasibility established and development proposals approved and ready for implementation</p> <p>Facilities re-developed and available for TEA</p>
6. Negotiate with JOSHCO re use of their 6 newly acquired buildings, and assess feasibility of possible projects	<p>6.1 Initiate engagement with JOSHCO and conclude an agreement (MoA) for the use of all or some, or parts of the properties for TEA purposes, including management arrangements . Aim to secure all 6 buildings if possible</p> <p>6.2 Collaborate with JOSHCO in following steps 1-3 as in 5.1 above</p>	August 2015	<p>Housing Department</p> <p>Housing Department</p>	Agreement with JOSHCO on use of the buildings.

Facilitation Programme 1: Special Programme for Relocation of Evictees (SPRE)

Action	Description	When?	Who?	Outcome
	6.3 Implement re-development in collaboration with JOSHCO – step 4 in 5.1 above	September 2015 – November 2015	Housing Department/SPRE unit	Feasibility established
		November 2015 – June 2017		Facilities re-developed and available for TEA
7. Free up existing TEA Facilities	7.1 Once the SPRE policy has been approved by Council, existing occupants of the city's TEA facilities should be informed of the intention to implement the policy in each facility over the following year as a phase 1 process of making the facilities available for future evictees;	October 2015 – December 2015	Housing Department	Existing facilities, where possible, freed up for new TEA intakes
	7.2 Thereafter full engagement with existing residents should commence informing them of the procedures to be followed and possible alternative housing options;	December 2015 – March 2016	Housing Department	
	7.3 This should be accompanied by an economic and social assessment of existing residents to determine their level of indigence and ability to pay some contribution to running the facility (similar to that undertaken by MES)	January 2016 – May 2016	Housing Department and the Department of Social Welfare	
	7.4 Based on the outcomes of this assessment, the SPRE unit could commence with step 4 of the SPRE process of engaging with occupiers over alternative accommodation options	May 2016 – July 2016	SPRE unit	
	7.5 Those that still remain after the first year (end of phase 1), based on the outcomes of the assessment in (iii) above, the SPRE unit could take a decision on whether to formally given them a notice of eviction in accordance with the policy or enter into a further lease agreement with them to remain in the facility for another 18 months after which they would be reassessed.	August 2016	SPRE unit and council	

Facilitation Programme 1: Special Programme for Relocation of Evictees (SPRE)

Action	Description	When?	Who?	Outcome
8. Implementation of the SPRE policy in existing TEA facilities (as a test)	8.1 Undertake a full physical audit of all the facilities to determine the levels of maintenance required and cost it for future programming and budgetary purposes;	September 2015 – December 2015	Housing Department	Existing facilities suitable for refurbishment identified
	8.2 Investigate each facility in terms of its existing planning rights and its physical structure to determine whether it could have additional light weight floors added to increase its capacity. Alternatively, whether the existing configuration of units or rooms could be redesigned to maximise use efficiencies.	September 2015 – March 2016	Housing Department	
	8.3 Based on investigations undertake necessary refurbishments where feasible	May 2016 – December 2016		Existing facilities ready and available for new TEA intakes
9. Acquisition of additional TEA Facilities – land and buildings	9.1 Rationalise City's property lists and identify additional available suitable buildings and land for new TEA projects, according to agreed criteria for TEA facilities	August 2015 – August 2020	Housing Department and SPRE Unit	Pipeline of potential projects for creation of new/additional TEA facilities to meet the identified demand
	9.2 Undertake prefeasibility studies on selected building and land	August 2015 – August 2020	Housing Department and SPRE Unit	Refined realistic project pipeline
	9.3 Acquire or enter into lease agreements of feasible buildings and land and undertake the necessary rights applications	August 2015 – August 2020	Housing Department and SPRE Unit	Identified projects available and ready for implementation
	9.4 Implement redevelopment of the properties identified and secured	March 2016 – December 2020	Housing Department and SPRE unit	Additional TEA facilities as required to fulfil meeting of demand completed and occupied

Financial Implications:

Funding will be provided through CoJ capital and operational budgets. CoJ has also applied to the Gauteng Provincial Department of Human Settlements for Emergency Housing Assistance, but will have to re-direct the application to the National Disaster Management Fund and National Department of Human Settlements in accordance with a directive issued by the National Minister of Human Settlements. This funding is not guaranteed.

Facilitation Programme 1: Special Programme for Relocation of Evictees (SPRE)

Programme Budget:

Programme Mgt (Opex) including 8% per annum escalation		
Year 1	R	6 600 000
Year 2	R	7 128 000
Year 3	R	7 698 240
Year 4	R	8 314 099
Year 5	R	8 979 227
Total	R	38 719 566

Institutional & CoJ Capacity Implications:

The CoJ Housing Department will have to embark on the following process:

1. Design unit organisational and reporting structures and procedures, responsibility matrix and job descriptions
2. Identify and re-deploy/appoint internal staff/procure external staff respectively as necessary

Composition of the SPRE unit as envisaged by the Housing Department is set out below:

Programme head – 1 coordinator

- Central point of liaison with property owners, Problem Properties Committee, Bad Buildings Committee, legal office in case of evictions etc
- Coordinate the coordinators below

People managers (case office) – 1 coordinator, 3 employees

- Meaningful engagement
- Communication
- Assisting evictees to access alternative accommodation
- Oversight of support and empowerment programmes for evictees (where applicable)
- Working closely with the CoJ Social Services
- Managing private sector sub-contractors who are running facilities and / or support programmes (where applicable).

Temporary Emergency Accommodation managers – 1 coordinator, 3 employees

- Emergency housing facilities management
- Emergency housing development
- Managing service providers involved in development, maintenance and management of infrastructure
- Liaison with JOSHCO, other Directorates in the Department of Housing, social housing agencies and private sector property owners
- Liaison with security services and EMS
- Liaison with housing role players within the CoJ, Provincial and National Government and advocacy for development of housing alternatives suitable for evictees.

5.3.2 Facilitation Programme 2: Sectional Title Rehabilitation

Facilitation Programme 2: Sectional Title Rehabilitation

Definition and Problem Statement:

Sectional title⁶ was introduced in South Africa in 1971. In terms of the model, there is a separation of ownership in land and in buildings. Sectional title owners have full ownership of their flat or unit and everything else is communal property. The Communal Property is owned and maintained by a Body Corporate which is a legal entity to be constituted thereafter in terms of the Section 21 Companies Act. The Body Corporate elects trustees to exercise the powers vested in the Bodies Corporate. In most cases, trustees appoint a managing agent to assist them with managing the sectional title scheme.

In order for the Bodies Corporate to manage common areas effectively, sectional title owners are required to pay levies. These levies cover costs of ongoing management by the managing agent, regular maintenance, incidental repairs (such as to broken lifts) and the services charges and rates that are payable to the Local Council.⁷ Bodies Corporate determine the setting of levies and their annual increases. This poses a particular problem, especially in the low to moderate income sectional titles market, because it is in the owners' interest to keep levies to a minimum. Consequently, most Bodies Corporate operate on a shoe-string budget, and this has a significant impact on the quality of management and maintenance that is achieved. The dependency of the model on the success of the Bodies Corporate (and its ability to act beyond the self-interest of its individual members) has been its key shortcoming, in high, medium and low-income arrangements. Specific problems include failure to set appropriate levies and to pay rates and service charges.

In 2006 the Sectional Title Pilot Project undertook detailed research into five buildings in the Inner City. The research concluded that Inner City sectional title buildings are dysfunctional because of ineffective Bodies Corporate. Any effort to rehabilitate Sectional Title buildings must first address the weakness of their management structures in a way that resolves problems and applies real and effective sanction against non-performance. Second, the municipality must take on the responsibility of engaging effectively with the Bodies Corporate in respect of accurate and timeous billing and effective collection.

Overall Objective:

To develop a sustainable method of intervening and stabilising dysfunctional sectional title buildings in the Johannesburg Inner City and ensuring their ongoing management.

Intervention Type:

Rehabilitation of existing sectional title buildings.

⁶ This section adapted from Sectional Title Pilot Project, Final Report, June 2006, prepared for the City of Johannesburg by Shisaka Development Management Services

⁷ While the Sectional Titles Act specifically provides for the separate rating of each unit, most local authorities prefer to treat the scheme as a single entity.

Facilitation Programme 2: Sectional Title Rehabilitation

Targeted Households (tenants):	<p>Targeted households:</p> <ul style="list-style-type: none"> • Households living in sectional title buildings. The income band will vary but generally R3,500+ • Predominantly owners of a sectional title unit
Precincts:	<p>This programme is most relevant for the following precincts due to a predominance of sectional title buildings: Berea, Inner City Core, Inner City eastern Core, Yeoville, Park Station and Hillbrow</p>
Housing Typology:	<p>Medium and high rise buildings (apartments)</p>
Implementing Agents:	<p>It is proposed that this programme is implemented by the City of Johannesburg Human Settlements Department in partnership with TUHF.</p>
Key Components / Overall Approach:	<p>Importantly the conditions in each building are unique and a process will need to be tailored for each building. These guidelines will require adaptation according to the specific conditions in each building.</p> <p>In order to rehabilitate a dysfunctional building it is necessary to take control of the Body Corporate. For this to occur it is necessary to own sufficient units in the building so as to have effective control of the Body Corporate. It is proposed that a pilot project is undertaken and on the basis of the pilot an overall approach to the rehabilitation of sectional title buildings in the Inner City should be developed. The overall approach to be tested through the pilot project is as follows:</p> <ul style="list-style-type: none"> • Purchase sufficient units in a building so as to have the effective voting power on the Body Corporate. • Use this as a basis for taking over the management of the Body Corporate and the building and then implementing appropriate management and maintenance activities so as to rehabilitate the building. • Once the building is rehabilitated a decision can then be made as to the extent to which the purchased units should be retained or should be sold. <p>Central to the approach is the finalization of financial and institutional arrangements to fund both the acquisition of sectional title units in the selected buildings and the renovation and upgrading of the buildings and holding the units prior to resale or transfer into a rental portfolio</p>
Eligibility:	<p>Owners of units in selected sectional title buildings.</p>

Facilitation Programme 2: Sectional Title Rehabilitation

Programme Implementation:

Step	Activity	Responsible	Risks/ Issues
1. Partnership agreement and appointing specialist support	<ul style="list-style-type: none"> A partnership agreement between the City of Johannesburg Housing Department (COJHD) and TUHF should be signed. The possibility of funding from CSOS should be explored A Steering Committee should be established to oversee implementation of the project comprising representatives of COJHD and TUHF COJHD should appoint specialist technical expertise to implement the pilot project. The technical expertise must have an understanding of sectional title building management, as well as strong facilitation capacity. 	COJHD/TUHF	
2. Identify potential buildings for inclusion in the pilot project	<ul style="list-style-type: none"> A review should be undertaken of dysfunctional sectional title buildings in the targeted areas of the Inner City of Johannesburg. The location and extent of dysfunction of the buildings should be assessed. On the basis of the assessment approximately five buildings that are located within proximity of each other should be selected to pilot this programme. Selecting the buildings in close proximity to each other will increase the ability to impact on the surrounding environment of the buildings in a cost effective manner. 	Technical expertise with input from COJHD and TUHF	
3. Prefeasibility	<ul style="list-style-type: none"> A prefeasibility assessment should be undertaken of the selected buildings to determine: <ul style="list-style-type: none"> Ownership (this will be undertaken through a deeds search) The extent to which units in the building can be purchased (this will entail determining if any of the units are for sale, identifying absentee landlords and approaching owners to test appetite for selling). Levels of debt in respect of service and rates charges (this will be through access to municipal records) Physical assessment (through a physical inspection of the building) Internal dynamics amongst residents Other issues for example, hijacking On the basis of the pre-feasibility a decision should be taken as to whether or not the building should be included in the pilot project. The selection should be made on the basis that the buildings have a high chance of being successfully rehabilitated. It is proposed that three buildings are selected for the pilot. 	<p>Technical expertise</p> <p>Steering Committee</p>	
4. Purchasing the units in the buildings	<ul style="list-style-type: none"> A process should be undertaken to approach selected owners in the targeted buildings with regard to purchasing the unit that they own. Those buildings where there are a sufficient number of owners who wish to sell to enable control of the body corporate will be included in the pilot. The units should be purchased by the COJHD and the basis by which this can occur needs to be determined. The use of the ICPS process within the City should be a first option. The acquired units will at a later stage (once the body corporate and the building has been stabilized) be sold in the open market for the enhanced value secured as a result of the improved condition and management of the building. 	<p>Technical expertise</p> <p>COJHD</p>	The time frame to purchase the units is extended

Facilitation Programme 2: Sectional Title Rehabilitation

Step	Activity	Responsible	Risks/ Issues
5. Establish base capacity	<ul style="list-style-type: none"> The appointed technical expertise will put in place the capacity, processes and systems to undertake the intervention. This will include: <ul style="list-style-type: none"> The recruitment of appropriate building administrators. Each administrator will be allocated to a specific building. The role of the administrator will be to: <ul style="list-style-type: none"> Manage the Bodies Corporate, turn around the performance of the building; and put in place ongoing arrangements for the ongoing sustainability of the building. Establishing the administrative systems for the project. This will include developing the business process by which the intervention within the buildings will be undertaken, how funds will be drawn down and how reporting and monitoring will occur. Establishing the loan administration system. It is envisaged that each building will require loan funding for the rehabilitation and upgrading of the physical structure. This funding should be provided by TUHF. Accordingly this component of work will set out how loans will be provided and administered. 	Technical expertise/TUHF	
6. Rehabilitation	<ul style="list-style-type: none"> The appointment of administrators will be done through the Body Corporate. The administrators will develop proposals as to how the building will be rehabilitated focusing on: <ul style="list-style-type: none"> Negotiating the basis by which the rates and services owed to the City of Johannesburg can be written down and/or paid over time. Negotiating the basis by which service charges are billed by the City of Johannesburg and in respect of each unit. Getting payment disciplines in respect of tenants and landlords Negotiating a sustainable levy amount and getting payment disciplines in respect of the payment of the levy. Upgrading the building physically in terms of its specific requirements. The actual rehabilitation undertaken will be structured so as to meet the specific requirements and challenges that each building faces, as well as the proper ongoing management of the building through an effective body corporate. Such rehabilitation will need to demonstrate the ability to stabilize the building over the long term so as to provide reasonable certainty to both purchasers and lenders as to the buildings long term prospects. 	Technical expertise/TUHF	
7. Long term management	<ul style="list-style-type: none"> Once a building has been rehabilitated it will be determined how the long term management of the building (post the rehabilitation period) should be undertaken. As part of this a decision will be taken as to whether the units purchased should be sold or if a portion of them should be retained and rented out so as to maintain an interest and ability to ensure that the Body Corporate functions effectively. 	Technical expertise COJHD	

Facilitation Programme 2: Sectional Title Rehabilitation

Step	Activity	Responsible	Risks/ Issues
8. Agree a roll out process	<ul style="list-style-type: none"> Once the rehabilitation process of the three buildings has been completed a detailed review and evaluation of the pilot project will be undertaken. This will involve a detailed review of the experiences gained over the implementation period. An overview of the pilot project and the findings of the review will be shared with key stakeholders with a view to determining the basis by which the project can be rolled out at a larger scale. In particular, an assessment will be undertaken with relevant mortgage lenders to assess the extent to which conditions for the creation of long term security has been achieved and any adjustments that can improve the long term security provided. A business plan will be developed setting out detailed proposals for the rolling out of the programme at scale 	Technical expertise	

Implementation Programme:

Activity	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Component 1: Partnership agreement and appoint specialist support						
Partnership agreement between COJHD and TUHF signed						
Steering committee established						
Appoint technical expertise						
Component 2: Identify the buildings						
List of building generated and agreed(10 buildings)						
Criteria for shortlisting developed and applied						
High level inspections held						
Steering Committee mtg to agree final list of buildings (5)						
Component 3: Prefeasibility						
Deeds Search						
Develop acquisition strategy						
Review of municipal records						
Review status of Body corporate and arrears						
Physical assessment of the building						
Team workshop to review outcome of assessments						
Report on prefeasibility and select buildings (2 to 3)						
Component 4: Purchasing the units in the building						
Approach owners in targeted buildings						
Purchase units						

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Component 5: Establish base capacity						
Recruit building administrators						
Establish administrative systems						
Establish loan administration system						
Component 6: Rehabilitation						
Undertake rehabilitation of selected bldgs with Body Corporate						
Monitor progress						
Evaluate success and basis for roll out						
Component 4: Preparation of a Business Plan for the roll out of the programme						
Draft business plan						
Test and Revise Business Plan						

Financial Implications:

There is not subsidy that can be used in this programme. Two sources of funding are required:

- Programme management costs nad possible a limited capital allocation by COJHD for the programme
- Loan funding from TUHF provided per building

Programme Budget:

	Programme Mgt (Opex)	Intervention costs (Opex)	Total Opex
Year 1	R 1 000 000	R 4 800 000	R 5 800 000
Year 2	R 1 050 000	R 5 184 000	R 6 234 000
Year 3	R 1 102 500	R 5 598 720	R 6 701 220
Year 4	R 1 157 625	R 6 046 618	R 7 204 243
Year 5	R 1 215 506	R 6 530 347	R 7 745 853
Total	R 5 525 631	R 28 159 685	R 33 685 316

Institutional & CoJ Capacity Implications:

The programme should be the responsibility of the JDA(incorporating the ICPS Unit) in concert with Region F. As this is very specialized work it is recommended that a Specialist Expert be appointed on a four year contract to implement the programme.

5.3.3 Facilitation Programme 3: Building Targeting & Release

Facilitation Programme 3: Building Targeting & Release

Definition and Problem Statement:

Drive rehabilitation, re-investment, revitalisation, redevelopment and transformation of Johannesburg's Inner City property market by exercising urban management tools in a way that drives bad buildings and available land towards productive uses, focused on the provision of affordable, safe accommodation and supporting economic uses.

(Note: This programme is based on the proposed ICPS model of escalating intervention. Specifically, Programme 3 and 4)

Sub-Programmes:

The Building Targeting & Release Programme comprises five Sub-Programmes:

- **SP1 (ICPS P3): Building Owner Rehabilitation**, through which privately owned buildings in a distressed state are driven to better management using city policy levers on the basis of negotiated agreements with owners.
- **SP 2 (ICPS P4): CoJ-Coerced Change of Ownership**, through which the CoJ uses legal mechanisms at its disposal to coerce existing owners to sell buildings to other private owners in order to ensure better future management.
- **SP3 (ICPS P5): CoJ-Driven Change of Ownership**, through which the CoJ drives ownership change of buildings to the City using legal mechanisms at its disposal.
- **SP4 (ICPS P6): CoJ-Driven Investment and Rejuvenation**, through management and application of city-controlled properties to city accommodation needs for ensuring rejuvenation and regeneration requirements.
- **SP5 (ICPS P7): Strategic Application of Public Properties** (land and buildings), , through which city owned and controlled buildings are released to the market in a controlled fashion to support Inner City regeneration activities.

Overall Objective:

Firstly, to accelerate regeneration and investment in the Inner City, through:

- Strategically exercising existing city management functions and levers in a co-ordinated and intensive way in order to firstly rectify, secondly rehabilitate, thirdly regenerate and fourthly re-cycle Inner City property and stock;
- Rapidly returning badly managed, dilapidated, abandoned & illegally occupied Inner City buildings to productive uses on a prioritised basis;
- Regenerating and maintaining the CoJ's Inner City revenue base and retain productive rates income streams in the long term;
- Promoting a broad range of residential accommodation within a mixed-use environment that offers commercial and retail use as well as adequate recreational and social facilities;
- Facilitating the development of transitional housing and housing for the poor; and
- Creating a conducive environment for larger investors and property managers to enter the market.

Facilitation Programme 3: Building Targeting & Release

Secondly, to transform the Inner City property market, through:

- Facilitating the growth of a cadre of SMME Inner City property entrepreneurs able and willing to operate profitably in the Inner City property market; and
- Enabling households to secure ownership and/or secure their property asset value.

Intervention Type:

SP1 (ICPS P3): Building Owner Rehabilitation: Private buildings in a distressed state (high arrears, poorly managed or hijacked buildings) will follow a similar process to Programme 2. The first priority will be to protect existing owners' property rights and regenerate city revenue streams:

- Targeted & Coordinated city management response (see flow chart)
- Negotiated resolution: owners will be given the opportunity to agree to a negotiated settlement, which will be recorded in a legal agreement.
- Building Turnaround Strategy: Agreed turnaround strategies will be monitored by the ICPS, who may also assist private owners to develop skills required to take control and manage buildings (to be developed in collaboration with external service providers working within CoJ programme parameters). This may include the option to participate in building management training, focused on building management, tenant management and financial management.
- Escalated Intervention: Failure to meet the conditions of the turnaround strategy will lead to an escalated intervention by the ICPS

SP 2 (ICPS P4): ICPS-Coerced Change of Ownership: Where negotiated agreements are not successful in turning around buildings or Bodies Corporate, ICPS will coerce change of ownership of buildings in distress. The aim of this programme will be to force change of ownership and improvement in building conditions.

- **Criminal Prosecution:** Building owners that do not respond to previous programmes will be subjected to criminal prosecution for Bylaw infringements⁸ and other criminal activity. This will place increased pressure on owners to consider sale of properties.
- **Coordination and brokering function:** Owners will be given the opportunity to sell their building via an ICPS-brokered sale to a person on the ICPS database. ICPS may also make offers on such buildings if they are considered of strategic value.

SP3 (ICPS P5): ICPS-Driven Change of Ownership: Where previous programmes fail to turn around building management, the ICPS will be mandated to drive change of ownership and use of buildings. The focus of this programme is to drive change of ownership and move buildings to new, productive use in the Inner City. This will be done using the most severe mechanisms open to the City:

- **Sale in Execution:** Where owners do not respond to lesser efforts, ICPS will use rates and services arrears to force change of ownership via an agreed sale in execution through the City's Revenue Department. The option remains for ICPS to procure these

⁸ In line with the proposed criminalization of certain bylaws being implemented by SPLUMB.

Facilitation Programme 3: Building Targeting & Release

buildings on auction, or allow them to be sold on the open market.

- **Expropriation:** Where the property is of strategic value, ICPS could expropriate the property in order to apply it to its strategic purpose.
- **Abandonment:** Owners/Liquidators/Estate administrators can elect abandoning properties to the ICPS⁹. These can be transferred to, or packaged and on-sold by the ICPS.

SP4 (ICPS P6): CoJ-Driven Investment and Rejuvenation: A core component of the work of the ICPS will be to support other City functions to maximise targeted investment in, and rejuvenation of Inner City precincts by other city functions. The ICPS will aim to assist to meet broader city development objectives by playing its part, and to supply properties for direct investment through city programmes. The ICPS' roles in this will be:

- **Stock Management:** JPC will actively control and manage the acquired stock (including providing for security, maintenance and occupant management) until it is released to new owners.
- **Resolution of Development Bottlenecks:** Resolving bad buildings affecting other development processes in the city on a building-by-building basis (such as implementation of CIDs and RIDs being held back by bad buildings).
- **Strategic City Building Stock Supply:** Assisting to provide appropriate buildings required to meet strategic development needs in the Inner City (such as Transitional Housing, Social housing, social and cultural facilities, and land and buildings required as a component of the future Human Settlements development function to be assigned to the City shortly. This the ICPS has done even within the current model.

SP5 (ICPS P7): Strategic Application of Public Properties: The City of Johannesburg has access to a number of properties that are currently not optimally utilised. These are held by the Johannesburg Property Company, and the Provincial Department of Public Works.

- **Establish the rationale for CoJ property acquisition:** The reasons for acquiring property must be firmly established. These may be: a building is voluntarily abandoned to the City by owner's; there is a strategic CoJ need for ownership of the building for a required use in the city or to complete area based rehabilitation; or all other avenues of facilitation towards building rehabilitation have failed.
- **Allocation of Stock to City Strategic Needs:** The ICPS will efficiently and swiftly package and release stock to city departments or Municipal Entities (e.g. JOSHCO) who require it. Uses may include Shelters; Transitional Housing; Social Housing or Social Facilities, or transfer to private players for in line with the Integrated Mixed Use policy. Building stock will not be held without purpose.
- **Controlled Property Release:** Remaining building stock will be packaged and released via negotiated tenders. This will be done with specific development conditions and controls that ensure properties are targeted at identified city requirements. Bids will be adjudicated, and stock released on the basis of clear Obligations Agreements, which will include recourse for non-performance and

⁹ Note that an unknown number of buildings have been abandoned to the state in the past. A means of identifying these is required in order that they can be repackaged for the future benefit of the city.

Facilitation Programme 3: Building Targeting & Release

pursuit of a transformation agenda.

Targeted Households:

Primary target of this intervention is **building owners (or illegal controllers)** in the Inner City who do not adhere to planning, building, health and safety requirements in the Inner City.

Note that interventions in this Programme are likely to result in the need to rehabilitate, evict and re-purpose Inner City buildings, implying that this will necessitate the handling of lower-income evictees or displacees from affected buildings.

Precincts:

Which specific precincts / or type of precincts would be applicable

Geographic Targeting of Interventions: Inner City turnaround will require focused attention in specific precincts, blocks and by targeting particular bad buildings. A methodology is proposed through which core City functions formally determine the prioritisation of suburbs, precincts, blocks and buildings for ICPS attention.

- **Precinct Targeting:** Specific precincts with existing plans and investment frameworks will be prioritised. The prioritisation will be done on the basis of: precincts that are identified for intervention as per the CoJ's Spatial Development Framework, the Inner City Roadmap; severity of bad building/s in the area (and level of damage they do to other city rejuvenation efforts);
- **Building Targeting:** Bad buildings in targeted precincts / sub-precincts will be subjected to detailed analysis to determine the potential they offer in respect of defined city benefits, including short-term gains (such as removal of impediments to investment), long-term potential for redevelopment (in relation to scale, future development impact and future revenue base) and the ICPS' ability to apply its levers and easily intervene in a property (e.g. are there arrears).

Financial Modelling: A financial model was developed for ICPS to model and assess specific building (project) viability and to determine the arrears write-down conditions, in order to provide a rational basis for determining its future potential and requirements to make a sale and redevelopment.

Housing Typology:

The following building typologies will be the focus of this Programme:

- Residential Buildings (High Rise and Medium-Rise)
- Commercial Buildings e.g. Medium-rise buildings (apartments)

Implementing Agents:

JDA (incorporating ICPS Unit)

Facilitation Programme 3: Building Targeting & Release

Eligibility: This Programme will be a CoJ-driven intervention aimed at resolving key building management problems and creating a pipeline of inner-city properties that are rehabilitated, and if not, re-purposed to future development needs of the Inner City.

Programme Implementation:

Step	Activity	Responsible	Risks/ Issues
1. Develop & Approve CoJ Building Targeting and Release Approach	<ul style="list-style-type: none"> Develop policy for Building Targeting and Release Confirm institutional and agency involvement and coordination Confirm external capacity to assist with specialist processes Approval for policy, institutional frameworks 	JDA (ICPS)	Instruments and institutions not sufficiently powerful
2. Establish institutional and Systems capability	<ul style="list-style-type: none"> Consolidate City Functions required for coordinated intervention Employ key staff in five areas Implement Systems to manage list and track interventions Establish and call for external service provider support 	CoJ Housing, Legal, Finance, SPLUM JDA (ICPS)	Critical unit has cross-cutting, coordinative function at senior level to enable decision-taking on capital expenditure
3. Consolidate Building Targets	<ul style="list-style-type: none"> Consolidate list of existing City owned property Consolidate and develop coherent CoJ Building Target List Existing Bad Buildings, New Bad Buildings, failed ST Rehab buildings consolidated and vetted on management information system. Define City legal obligations, City needs, private sector needs 	JDA (ICPS) Legal, SPLUM, Housing	Raised awareness of CoJ property assembly raises prices.
4. Secure Financing	<ul style="list-style-type: none"> Identify programme needs for building intervention, alienation, holding and release of buildings Establish financial instruments for procurement / expropriation 	JDA (ICPS) Legal, SPLUM, Housing	Non-synchronised funds from four entities.
5. Target & Implement	<ul style="list-style-type: none"> Prioritise and target buildings for intervention with Prioritisation Committee (the Problem Properties Committee) approval Manage coordinated programme to rehabilitate, sale in execution, abandon to state or expropriate targets 	JDA (ICPS) Prioritisation Committee (the Problem Properties Committee) Legal, SPLUM, Housing, external service providers	Increased property values Loss of focus required for expropriations
6. Release properties to City, other programmes	<ul style="list-style-type: none"> Confirm list of land and buildings (city owned, public owned, private ceded, sold to city, expropriated) Identify properties required for city needs (SPRE, SH) Process and release buildings timeously into other development programmes Release balance through public process 	JDA (ICPS) Legal	Lack of suitable, affordable, consolidated land and buildings will limit future SH growth
7. Ongoing M&E	<ul style="list-style-type: none"> Implement a rigorous monitoring and evaluation programme that tracks progress as well as measures impact against 'Smart Partner' and SH Pipeline. 	CoJ Housing and DED.	Lack of land release will tie up CoJ capital

Facilitation Programme 3: Building Targeting & Release

Implementation Programme:

Activity	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Step 1: Approve CoJ Building Targeting & Release Approach as outlined here						
Step 2: Establish institutional and Systems capability						
Step 3: Consolidate Building Targets						
Step 4: Secure Financing						
Step 5: Target & Implement						
Step 6: Release properties to City, other programmes						
Step 7: Ongoing M&E						

Financial Implications:

This programme will be resource intensive. It is projected that a limited capital budget will be required for ICPS, but a significant operational budget will be required to support the internal capacity required to develop and maintain systems, and to identify and retain the expertise required to successfully operate the programme.

- **Opex:** This programme will be a CoJ-driven function, and will require substantial capacity development and financing to implement successfully and at scale. The extent of degradation in certain areas of the Inner City imply that a substantial, dedicated team must be established, along with requisite systems capacity and linkages to external service providers to ensure impact is made. Sufficient budget is required to cater for in-house costs, as well as to provide for contracting of outsourced agents to undertake specialist work (e.g. legal, financial modelling, expropriation processes, building tender and resale, etc)
- **Capex:** CoJ will be required to make available a 'working capital budget' for purchasing and/or expropriating problem properties that cannot be rehabilitated. Over time, this budget should be augmented by building and land sale proceeds. The process to ring-fence this aspect of the funding will be handled through the current CIMS process and the ICPS has already submitted its requirements for the next five years as follows.
- **Other Financial Implications:** A key lever in this process is the potential to write-down or write-off arrears on buildings as a component of the incentives offered to owners to improve conditions and payment to the CoJ. Where rates and service arrears (not subscribed) exist, the CoJ should be willing to use this as a negotiating lever to achieve improved outcomes.

Facilitation Programme 3: Building Targeting & Release

Programme Budget:

Programme Mgt (Opex) including 8% annual escalation		
Year 1	R	16 660 000
Year 2	R	17 992 800
Year 3	R	19 432 224
Year 4	R	20 986 802
Year 5	R	22 665 746
Total	R	97 737 572

Institutional & CoJ Capacity Implications:

Given the legislative parameters regarding property acquisition and disposal by municipal government, the limited resources of the City, and the need to ensure clear mandates in respect of buildings to be targeted, clear lines of authority and decision-making and transparent processes will be critical to success. All property transactions would be subject to normal legal processes and the necessary Council approvals. The following institutional arrangements are proposed:

- **Decision-Making and Governance Structure:** This programme requires the establishment of a Prioritisation Committee (PC) – which may be the Problem Properties Committee – which, in line with MFMA and PAIA, will oversee the priority identification and procurement of stock for key city requirements (including social facilities, transitional and social housing). Specifically the PC will determine geographic (precinct and sub-precinct) and specific building targets for the ICPS, and to propose release strategies for buildings brought under the City's control. Business cases developed by the ICPS for rates write-downs and property disposals will be approved at MayCom prior to implementation.
- **Inner City Enforcement (ICE) Team:** This Programme should be structured and developed as a separate, multidisciplinary team reporting to the Office of the City Manager through the **Inner City Office (ICO)**. ICPS will require a clear delegation of authority to act on matters within its mandate, as well as to be assigned specific authorities in respect of coordinating action on identified accounts in arrears, bylaw and criminal prosecutions of building owners. The team should have dedicated management and staff capacity, systems and procedures. It is proposed that the ICE team should comprise of *at minimum* a Senior Manager, five specialist members (Legal, Planning and Building Control, Housing & Property Investment, Finance and Systems). This core team should be supported by adequate administrative and systems capacity. It should be combined with the SPRE Facilitation Unit as the functions dovetail one another.
- **City Departments Involvement:** However, it is critical that the team has close involvement and representation from the following Departments: Planning; Housing; Legal and Finance (Arrears)
- **Outsourced Specialists:** This team should use an extensive network of private service providers under close scrutiny to undertake and scale up the number of Inner City buildings under investigation.
- **Municipal Court:** Consideration should be given to capacitating the Municipal Court to hear matters regularly as required by the ICPS.

5.3.4 Facilitation Programme 4: Municipal Process Facilitation and Housing Support

Facilitation Programme 4A: Municipal Process Facilitation

Facilitation Programme 4A: Municipal Process Facilitation

Definition and Problem Statement:	Facilitation of incentives, overcoming delivery blockages and enforcing laws to streamline housing delivery and densification in the Inner City
Overall Objective:	<i>To facilitate the development of housing development in the Inner City through support to investors, developers and landlords.</i>
Intervention Type:	Mediation, facilitation, coordination, management and monitoring programme
Targeted Households:	All income groups
Precincts:	All
Housing Typology:	All
Implementing Agents:	CoJ
Key Components / Overall Approach:	<ul style="list-style-type: none"> • Bylaw review <ul style="list-style-type: none"> – Document all bylaws that impact Inner City housing and develop a set of assessment criteria principles to measure their relevance – desirable health, safety and built form outcomes (keeping mind soci economic issues) – Identify problematic bylaws – outdated, non-response viz current household formation etc. and simply by laws, check cross cutting bylaws for duplication. Consider a single set of Inner City bylaws. Identify new. Prioritise. – Bylaw amendments, consolidation, training officials and enforcement – Publicise bylaws • Plan approval acceleration and simplification

Facilitation Programme 4A: Municipal Process Facilitation

- Identify application types with densification on res 1 properties
- Determine the areas that are adding cost and complexity to those processes
- Develop criteria for desirable outcomes
- Develop a policy for relaxation of requirements for Consent Use, Site Development Plans and parking but linked to other City spatial development frameworks and Transport oriented developments
- Consider what can be transferred requirements from planning to building applications – focus oversight on building application rather than planning
- Consider providing dedicated personnel within building control to streamline applications
- **Zoning and ratings**
 - Address backlog of properties to be rezoned from commercial to residential
 - Adjust ratings and service charges and incentives rebates to reflect residential use (and ESP if applicable)
 - Rigours and practice application of ratings policy
- **Billings resolution**
 - Investigate / undertake feasibility on alternative metering approach and technologies
 - Roll-out alternatives and enforce / automatically in new build and refurbishment and retrofit where possible
 - Retrofit and roll-out pre-paid
 - Resolve bilking backlog/ fast track billings resolutions for priority IC properties

There are various incentives that can be applied to facilitate the delivery and management of housing in the Inner City. This requires that applications for housing development be screened for these and that the processes related to obtaining such incentives be streamlined. The following incentives/procedures should be unlocked in this programme:

Streamlining of planning applications to facilitate densification. A policy review of the requirement for SDPs for the densification of Res 1 properties to facilitate applications by small-scale landlords should be considered. Rather a dedicated planner could be attached to building control where building applications for the subdivision of space or backyard rooms could be considered according to set criteria and parameters.

A policy review on parking requirements in near Inner City areas that are serviced by public transportation.

A proactive linking of new projects and existing buildings that qualify for ESP package with the ESP programme and system

A review of bylaws in respect of building materials, space requirements and service requirements to ensure that these are current and appropriate while protecting health and safety of occupants.

Facilitation Programme 4A: Municipal Process Facilitation

Correcting the zoning of residential buildings that are the produced of conversion form commercial space to ensure that the rates applied to buildings that are offering affordable accommodation in the Inner City are not onerous.

Establishing a unit within Revenue department that is specifically focused on resolving service charge and billings issues on Inner City buildings and on interacting with tenants and landlords to resolve these bills.

Facilitation Programme 4B: Education and Training Programmes

Facilitation Programme 4B: Education and Training Programmes

Overall Objective:	<p>To facilitate the development of housing development in the Inner City through support to investors, developers and landlords.</p> <p>To ensure that stakeholders are well informed</p> <p>To ensure that bodies corporate and landlords are trained on key aspects of property holding and management in the Inner City, municipal laws and on tenant liaison</p> <p>To ensure that tenants are trained on rights responsibilities, municipal bylaws</p>
Intervention Type:	Training and information sharing
Targeted Households:	All income groups, tenants, owners, bodies corporate, managing agents
Precincts:	All
Housing Typology:	All
Implementing Agents:	Housing Department

Facilitation Programme 4B: Education and Training Programmes

Key Components / Overall Approach:

Housing information and Education Programmes

The stakeholders in housing market in the Inner City need more predictability and security. In order to stabilise the housing conditions in the Inner City and to ensure that all stakeholders can participate fully in meeting their housing needs and contributing to a sustainable housing environment in the Inner City it is important that all stakeholders have access to clear information. The multiplicity of living arrangements and landlordism in the Inner City as well as the insecurity of many tenants and uncertainty of management arrangements has obscured the information flow. Many people do not know their rights or obligations and most have no interface with the municipality. In fact there are key information gaps in the housing market in the Inner City. Various stakeholders require information and education on the rules that govern rentals and ownership in the Inner City, on municipality bylaws and processes, on municipal services and charges, on rights and on responsibilities of various role-players in housing and on housing options. Some social housing institutions and financiers offer such training but there is no systematic training of this sort in Johannesburg.

The City is well placed to champion short housing information and training courses and it is an appropriate broker of such education. The City should champion and monitor course content and delivery while the training activities should be outsourced to suitable service providers.

This should include the development of training materials/manuals and the running of courses. Some of the courses should be run jointly with the Gauteng Rental Tribunal. Service providers should be sought to develop and run courses on the following issue areas:

- **Sectional title:**
 - An education programme for bodies corporate as well as explanatory media (manuals) on how to manage buildings, on levies, on rights and obligations of tenants and of owners individually and collectively as bodies corporate in sectional title buildings
 - Sectional title owner education programme: This should include modules on rights, obligations, services costs and payments, building management and maintenance basics and Inner City environment
 - A tenant education programme: This should include modules on rights, obligations, services costs and payments, building management and maintenance basics and Inner City environment
- **Rental:**
 - The City and the Gauteng Rental Tribunal need to distribute information and engage in tenant education programmes to alert tenants to their rights and obligations. Information on the current practices exercised by large property owners in defining rights and obligations of tenants will be useful in this respect, although these must be reflected against the legal position of tenants and owners.
 - A landlord education programme: This should include modules on rights, obligations, building management and maintenance, financing, management of services accounts, and Inner City environment
 - A registered landlord programme: This programme should be developed in conjunction with the social housing foundation. It should provide training and registration requirements for landlords who will target social housing or low-income rental housing. A register of competent landlords, who will benefit from access for their tenants to the City's expanded social package, should be created.

Facilitation Programme 4B: Education and Training Programmes

- **Managing Agents**
 - Many managing agents in the city are not scrupulous. Where they act illegally they must be tackled through law enforcement. But the City can be proactive in training and accrediting managing agents through a certified course.
 - Building maintenance and Caretaker courses:
 - The key to successful building management is good caretaking. The establishment of a widespread, high quality caretaking training programme to grow and roll out skills around building maintenance and management across Inner City buildings would be a significant intervention to stabilise weak conditions in buildings. But caretaking in most Inner City buildings is extremely poor. There is a requirement for a dedicated training programme on building maintenance and caretaking. Such programmes are run by TUHF for buildings in which it has a financial interest.
 - A caretaker programme should be developed as a certified course leading to the registration of competent, trained caretakers

Institutional & CoJ Capacity Implications:

Education and training programmes should be incorporated into existing structures within the City and make use of capacity that exists in the Communications Department as well as in Social services. In addition a client services function should be incorporated into the dedicated Inner City housing unit to direct training and education on specific programmes

Facilitation Programme 4C: Urban Densification Programme

Facilitation Programme 4C: Urban Densification Programme

Definition and Problem Statement:

'Backyard Accommodation' refers to all occupied space provided for commercial gain in the house of, or on the yard of a house¹⁰. **'Backyard Rental Accommodation'** therefore includes all occupied dwelling units on existing residential properties that are occupied on the basis of a commercial supply and demand relationship (willing landlord / willing tenant). Backyard rental accommodation takes various forms that may or may not comply with the City of Johannesburg's norms and standards for occupied residential accommodation. These include:

- **Rented House:** An existing, full primary dwelling unit (such as a subsidised house or bonded house) rented to non-owners in full, either with landlord living on site or absent.
- **Rented Room in House:** One or more rooms or spaces in a house rented to a separate household.
- **Second Dwelling Unit:** Separate, self-contained dwelling containing cooking and private ablution facilities on a property with a primary dwelling unit.

¹⁰ Note that 'Backyard Accommodation' refers to all accommodation on existing properties, and therefore also includes rooms in existing houses occupied by separate households.

Facilitation Programme 4C: Urban Densification Programme

- **Backyard Room:** Conventionally constructed room or rooms on a property with a primary dwelling. Private or shared ablutions and/or cooking facilities.
- **Backyard Shack:** room or rooms on a property with a primary dwelling, constructed of temporary materials (e.g. wood, metal, plastic) with shared ablutions and/or cooking facilities. **Note** that it is proposed that Backyard Shacks should not be tolerated within the Inner City area.

A large majority of backyard units for rent are conventionally constructed backyard rooms and/or backyard shacks with shared ablutions. These are product types that landlords and tenants understand, and that provide accommodation that is affordable to the primary market. The proportions of each, and the density of backyard units on properties vary significantly within and between neighbourhoods.

These unit types are valid housing options in the Inner City and need to be regularised within basic norms that do not overly restrict but rather encourage densification while upholding safety and health standards.

Overall Objective:

Stimulation of regularisation and expansion of appropriate quality, affordable backyard rental housing, densification of low-density suburbs and small landlord development through the support for and stimulation of backyard rental development within the City of Johannesburg's town planning, regulatory and infrastructure investment framework.

Note that this Delivery Programme will require the CoJ's regulatory, policy and investment support, but **will not require direct delivery** of backyard units by the City or other public sector entities.

Sub-Programmes (Elements):

Three sub-programmes are envisaged:

- **SP1: Backyard Rental Regularisation:** Where existing standards of backyard development do not meet acceptable standards, the CoJ will implement town planning conditions, building control and health and safety bylaws to regularise upgrade or remove undesirable development. This will be focused on informally constructed backyard units, and formally constructed units that threaten the health and safety of occupants.
- **SP2: Backyard Rental Encouragement:** Establishing planning, regulatory, by-law, infrastructure and incentive frameworks to support and encourage development of good quality backyard development in appropriate areas of the Inner City.
- **SP3: Backyard Rental Incentivisation:** The CoJ, working with other public sector entities (NDHS, Gauteng Department of Housing) will develop and implement an incentive package for backyard development that meets the ICHAP vision.

Facilitation Programme 4C: Urban Densification Programme

Intervention Type:

SP1: Backyard Rental Regularisation: This Sub-Programme will comprise of the following Intervention areas:

- **Identification of Exceptions:** Inner City inspectors will identify problem properties or zones where backyarding threatens agreed norms and standards for Backyard development (see SP2);
- **Regularisation of Exceptions:** This will include taking coordinated actions based on town planning, building control, policing, and by-law infringements. Problem properties will be identified, entered onto the Inner City Database and taken through the process of escalating severity.
- **Managing Evictees:** Where this process results in evictions, evictees will enter the SPRE process.

SP2: Backyard Rental Encouragement: This Sub-Programme will provide clarity for existing and future owners on where, and how, backyard rental development will be supported in the Inner City. The outcome will be accessible information (booklet / website) clarifying acceptable standards for backyarding, and procedures for obtaining approval. This will include:

- **Regulatory Platform Revision:** Ensuring city town planning and building control regulations are supportive of backyard rental development
- **Planning Intervention:** Identification of key areas for Backyard Rental (based on densification opportunities and existing infrastructure capacity), and providing clear planning frameworks and standards for this (e.g. implication of blanket second dwelling unit policy as applied to individual rooms).
- **Building Standards & Building Control Intervention:** Ensuring clarity within building control function regarding desirability and standards for backyard development (e.g. standards for backyard structures, basic guidelines on acceptable sizes, level of service, building types, etc).
- **Planning Bulk Infrastructure Intervention:** Identification of bulk infrastructure maintenance and upgrading required in areas of infrastructure stress or to be targeted for future densification.

SP3: Backyard Rental Incentivisation: The CoJ, working with other public sector entities (NDHS, Gauteng Department of Housing) will develop and implement an incentive package for backyard development that meets the ICHAP vision. This will include:

- **Infrastructure Installation support:** Consideration of CoJ investment support for proper service connections and metering to backyard units to ensure proper metering and city revenue is obtained (water, electricity and sanitation);
- **Non-Infrastructure Service Delivery:** Appropriate refuse removal approaches for areas with backyarding; and
- **'Green incentives'** (supporting installation of 'green' lighting, solar water heating and insulation that can support reduced consumption and costs.
- **Financing for Backyard Development:** Working with Partners to explore financing approaches for Backyard development

Facilitation Programme 4C: Urban Densification Programme

Targeted Households (tenants): There are two key targets of the Backyard Rental Programme:

- **Landlords**, who are owners of properties on which backyarding is being or could be developed; and
- **Tenants**, who generally are small (one or two member) medium-income households earning between R2 500 and R10 000 per month, and pay rentals from R750 per month upwards for backyard accommodation.

Precincts: Criteria for Precinct Targeting:

- **Residential Zoning:** Areas zoned for residential use (specifically Residential A) where stand-alone or semi-detached primary accommodation units exist, with potential space for development of further units are candidates for backyarding.
- **Urban Form:** Properties must be large enough to provide opportunity for the addition of additional accommodation units for rental, and location of primary units on properties should be conducive to backyard unit construction. Note that while second dwellings should be encouraged in line with the CoJ's blanket second dwelling unit policy, not all areas should be targeted for greater backyard development.
- **Infrastructure Capacity:** Areas with capacity to sustain greater urban densities should be prioritised for backyard unit development.
- **Current Backyard Market Characteristics:** Targeted area/s should demonstrate the potential for a sustained growth of quality backyard rental, while still providing sufficient latent potential for further growth of the market (i.e. market saturation should be low).
- **Urban Management:** Areas that indicate active municipal management is occurring should be prioritised.
- **Civic Stability:** Areas with low levels of civic unrest, that are stable neighbourhoods with a balanced demographic profile offer best option for risk mitigation.
- **Backyard Rental Facilitation:** Areas where backyard rental has been specifically identified as a growth sector and/or is allowed, yet actively managed as a sub-market are preferred.

Top six target areas are (in order of number of backyard households):

1. Berea
2. Bellevue & Bellevue East
3. Hillbrow
4. Yeoville
5. Jeppestown (primary informal 'shack' backyarding area)
6. Wolhuter (secondary informal 'shack' backyarding area)

Facilitation Programme 4C: Urban Densification Programme

Housing Typology:	<p>Backyard Rental development must be focused in areas with Residential A (single-storey, stand-alone or semi-detached residential houses.</p> <p>Where properties have non-residential zoning or are multi-storey, these must form part of the small landlords development programme.</p>
Implementing Agents:	<p>Planning Department.</p> <p>Combined responsibilities vest with the planning and building control functions, coordinated by the Inner City Office within the Inner City zone.</p> <p>Individual landlords will be responsible for responding to city regularisation and development stimuli, and will operate fully independently of the CoJ, within the frameworks established.</p>
Key Components / Overall Approach:	<p>SP1: Backyard Rental Regularisation: This Sub-Programme will comprise of the following Intervention areas:</p> <ul style="list-style-type: none"> • Identification of Exceptions: Inner City inspectors will identify problem properties or zones where backyarding threatens agreed norms and standards for Backyard development (see SP2); • Regularisation of Exceptions: This will include taking coordinated actions based on town planning, building control, policing, and by-law infringements. Problem properties will be identified, entered onto the Inner City Database and taken through the process of escalating severity. • Managing Evictees: Where this process results in evictions, evictees will enter the SPRE process (See Programme xx) <p>SP2: Backyard Rental Encouragement: This Sub-Programme will provide clarity for existing and future owners on where, and how, backyard rental development will be supported in the Inner City. The outcome will be accessible information (booklet / website) clarifying acceptable standards for backyarding, and procedures for obtaining approval. This will include:</p> <ul style="list-style-type: none"> • Regulatory Platform Revision: Ensuring city town planning and building control regulations are supportive of backyard rental development • Planning Intervention: Identification of key areas for Backyard Rental (based on densification opportunities and existing infrastructure capacity), and providing clear planning frameworks and standards for this (e.g. implication of blanket second dwelling unit policy as applied to individual rooms). • Building Standards & Building Control Intervention: Ensuring clarity within building control function regarding desirability and standards for backyard development (e.g. standards for backyard structures, basic guidelines on acceptable sizes, level of service, building types, etc). • Planning Bulk Infrastructure Intervention: Identification of bulk infrastructure maintenance and upgrading required in areas of

Facilitation Programme 4C: Urban Densification Programme

infrastructure stress or to be targeted for future densification.

SP3: Backyard Rental Incentivisation: The CoJ, working with other public sector entities (NDHS, Gauteng Department of Housing) will develop and implement an incentive package for backyard development that meets the ICHAP vision. This will include:

- **Infrastructure Installation support:** Consideration of CoJ investment support for proper service connections and metering to backyard units to ensure proper metering and city revenue is obtained (water, electricity and sanitation);
- **Non-Infrastructure Service Delivery:** Appropriate refuse removal approaches for areas with backyarding; and
- **'Green incentives'** (supporting installation of 'green' lighting, solar water heating and insulation that can support reduced consumption and costs.
- **Financing for Backyard Development: Working with Partners to explore financing approaches for Backyard development**

Eligibility:

Any *de jure* owner of a residential property in the Inner City zone will be entitled to consider development that increases urban densities within acceptable parameters. Must be single owner residential properties with availability of sufficient space for densification.

CoJ will identify properties / landlords requiring regularization based on conditions on site.

Any incentive programme developed must clearly stipulate beneficiary targeting approach.

Programme Implementation:

Step	Activity	Responsible	Risks/ Issues
1. Develop Inner City Densification Policy	<ul style="list-style-type: none"> • Develop draft Inner City Densification Policy based on existing City processes, targeted at low density residential properties. • Engage with key City stakeholders – notably Planning, Housing and Infrastructure functions to agree densification framework. • Finalize and disseminate policy based on primary rights and potential rights to densify existing properties. 	CoJ Housing and SPLUM with external expertise.	Resistance from CoJ re 'backyard' misunderstanding.
2. Urban management to control exceptions	<ul style="list-style-type: none"> • Identify and target areas with worst conditions. • Integrated planning, policing and arrears interventions • Informal settlements to be vacated: SPRE 	CoJ Housing and Building Control and with Rates and Legal	Management of SPRE evictees Possibility of further backyarding if no control
3. Design Incentive Package	<ul style="list-style-type: none"> • Work with NDHS and GDHS to develop incentive package for desired densification. • Likely to include basic infrastructure contributions, possibly wet cores and service connections 	CoJ Housing with NDHS and GDHS	No agreement between tiers of government on appropriate response Potential to destabilise market through intervention

Facilitation Programme 4C: Urban Densification Programme

Step	Activity	Responsible	Risks/ Issues
4. Infrastructure Improvement Rollout	<ul style="list-style-type: none"> Assess pressures on existing areas and future pressures due to controlled / supported densification Consider water, sanitation, refuse and electricity Plan and roll out service upgrades in two pilot areas to cater for increased populations. Roll out infrastructure improvement to other areas 	CoJ Housing and Infrastructure	Risks of inadequate service connections leading to unhealthy conditions
5. Ongoing M&E	<ul style="list-style-type: none"> Implement a rigorous monitoring and evaluation programme that tracks progress as well as measures impact 	CoJ SPLUM and Housing	Loss of control could lead to 'slum' conditions

Implementation Programme

Activity	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Component 1: 1. Develop Inner City Densification Policy						
Develop draft densification policy						
Engage with stakeholders						
Finalise and disseminate						
Component 2: Urban Management for Exceptions						
Commence once policy is set.						
Pilot Intervention phase prior to full rollout						
Component 3: Design Incentive Package						
Develop policy with NDHS and GDHS						
Finalise and obtain approval (MinMec) for policy						
Component 4: Infrastructure Improvement Rollout						
Assess infrastructure pressure zones						
Plan and Roll Out Service improvements in Pilot areas						
Expand the programme						
Component 5: Ongoing M&E						
Design & implement M&E Framework and System in pilot areas						
Implement pilot M&E approach						
Implement M&E programme						

Facilitation Programme 4C: Urban Densification Programme

Financial Implications:	<p>SP1: Regulation requires coordinated inspections and enforcement by SPLUM and Building Control officials under auspices of the Inner City Office (Status?).</p> <p>Budget: Operational Expenditure enhanced for Inner City zone. Requires permanent inspectorate undertaking primary inspection and follow-up visits. Where evictions are required, cost implications may result in SPRE.</p> <p>SP2: Encouragement requires inter-departmental co-ordination and development of a clear CoJ-wide Backyard Rental policy (also applicable to the Inner City) that is developed by and agreed by SPLUM (with Building Control) and Housing, with inputs from Infrastructure function.</p> <p>Budget: Enhanced Operational Expenditure for development and dissemination of information for Inner City zone.</p> <p>SP3: Incentivisation requires development and agreement of a Backyard Rental subsidy policy for assisting with the development of infrastructure on-site. This must be developed in discussion with NDHS and Gauteng DHS, in line with proposals accepted by MinTec.</p> <p>Budget: This should either use USDG funds, or be part of a new HSDG subsidy instrument, in line with national and provincial subsidy arrangements.</p>
Institutional & CoJ Capacity Implications:	<p>SP1 and SP2 vest with existing functions within SPLUM (primarily a landuse management issue).</p> <p>Inner City Inspectorate Capacity: Human Resources capacity to be developed in line with overall Inner City inspectorate requirements.</p> <p>Building Control: Capacity (specialist?) required to manage Backyard applications.</p>

Facilitation Programme 4D: Provision Of Emergency Services to Critical Buildings

Facilitation Programme 4D: Provision Of Emergency Services to Critical Buildings

Definition and Problem Statement:	<p>Many overcrowded buildings in the inner city are in effect high-rise informal settlements. In extreme cases and where buildings are targeted for resolution through the bad buildings programme defined above, it will be necessary to provide emergency services to secure basic health and safety. While the building release programme offers a key avenue for resolution of such buildings, attention must be paid to short term emergency actions to relieve absolute risk where necessary and while longer term programmes are being followed.</p>
Overall Objective:	<p>To provide emergency services in cases of grave threat to health and safety because of the lack of services in bad buildings that are targeted for relief</p>
Intervention Type:	<p>Infrastructural and waste services provision</p>

Facilitation Programme 4D: Provision Of Emergency Services to Critical Buildings

Delivery Programme:

- Provision of chemical toilets at street level
- Provision of emergency water point/s at street level
- Provision of a refuse skip or increased Pikitup bins and services

These services must be provided in consultation with building occupants and should be provided with agreed commitments from owners and /or occupiers. The commitments will depend on the nature of the buildings and the processes being followed but may include commitments towards upgrading, maintenance, de-densification and /or services payments as well as commitments related to the management of the emergency services.

Community development workers must be deployed on a daily basis to explain to local residents what the procedures and arrangements are.

Institutional Implications:

This programme must be delivered by Emergency Management Services. The work must be coordinated at Working Group level to ensure that it is dovetailed with the building being addressed under one of the dedicated housing facilitation or delivery programmes defined in this strategy

Programme Budget: Includes all Sub-programmes (detail in separate Excel spreadsheets)

Programme Mgt (Opex) including 8% annual escalation		
Year 1	R	13 469 200
Year 2	R	12 926 736
Year 3	R	13 960 875
Year 4	R	15 077 745
Year 5	R	16 283 964
Total	R	71 718 520

5.3.5 Facilitation Programme 5: Integrated Management Information System (IMIS)

Facilitation Programme 5: Integrated Management Information System (IMIS)

Definition and Problem Statement:

Data and Information system to assist with logging, tracking and resolution of problem buildings in the Inner City.

Overall Objective:

The COJ has limited direct levers at its disposal to effect the change in bad buildings in the Inner City. In addition, the work of the CoJ in applying these levers will be complicated, onerous and expensive, and coordination and monitoring and review of its processes will be critical to its success¹¹. None of the ICPS functions can be exercised without adequate information on the state and status of buildings. But this information is seated in various parts of the City's information systems. Therefore, proper planning of the systems approach to be followed is required, in order to be able to implement and track all properties under ICPS attention.

The CoJ must therefore implement a tracking system as a cornerstone of its future work. This is considered a critical success factor that will ensure efficiency in ICPS processes.

Intervention Type:

The IMIS should be structured as follows:

- **Business Process Mapping:** IMIS must be designed to follow specific legal processes and steps, in order to ensure speedy compliance and results. All key processes have been mapped to the fourth level to guide this process.
- **Integrated Information Systems:** the system will require integration of information from other city functions, most importantly Revenue, planning, building control, and legal functions¹².
- **Life Cycle Case Management:** Each building case will be tracked step by step through the processes of escalating severity. The information system will guide timeous and necessary responses.
- **Monitoring and Follow-up:** The CoJ will maintain records of acquired and released properties and regularly monitor performance against agreements and manage and enforce Obligations Agreements and conditions of sale with owners.

Targeted Households:

The IMIS will collate and manage comprehensive information on problem properties across the Inner City, for easy access, management and implementation of exceptions procedures.

¹¹ A key reason for failure of previous city intervention models in bad buildings is the lack of a coordinated strategy. As a result, the potential levers available to the city (including Revenue arrears follow-ups and sales in execution, bylaw infringements and prosecutions were not coordinated, resulting in substantial duplication and waste of effort.

¹² Currently, information pertinent to the management of problem buildings is housed in a range of systems that do not all interface with each other. This includes the GIS system, the Revenue database, services disconnections lists, the old better buildings databases, bylaw infringement systems, legal case files, the UDZ database and others.

Facilitation Programme 5: Integrated Management Information System (IMIS)

Precincts:	IMIS will be used for all buildings within targeted areas. It is proposed that on a precinct-by-precinct basis IMIS is updated to include information and statuses on all relevant buildings in that precinct.
Housing Typology:	<p>IMIS will be applicable to all property types, and will store information based on descriptive criteria (address, GPs coordinate, zoning, built form and scale, status, rates and services arrears, etc).</p> <p>IMIs must be designed to incorporate all key CoJ information needs on problem properties, in order that it can replace the range of current, incomplete and out of date bad buildings and legal process lists.</p>
Implementing Agents:	<p>IMIS will be controlled by the CRUM.</p> <p>It is proposed that the development of IMIS, and maintenance of its baseline datasets be outsourced to specialist IT service providers due to the specialist nature of this task and the need to integrate various existing City datasets (City GIS, Rates and Arrears, etc).</p> <p>Further, substantial effort may be required to ensure system and data integration and integrity prior to 'go live'.</p>
Key Components / Overall Approach:	<p>Baseline data required for IMIS includes:</p> <ul style="list-style-type: none"> • Baseline Geospatial Information (streets, addresses, property dataset) • Town Planning Baseline Information (zoning information) • Title Deeds & Rates Database Information (ownership type, names, address details) <p>IMIS must ensure live links to key CoJ datasets, notably:</p> <ul style="list-style-type: none"> • Town planning (status, applications, approvals) • Legal Processes (By Law Infringements, legal cases opened) • Rates and Services Information (Rates database, arrears) <p>IMIS must facilitate work process flows in the city required for property exceptions management, notably:</p> <ul style="list-style-type: none"> • Problem building identification and prioritisation • CoJ Process management and consolidation (legal, by-law, health and safety, other cases) • Exceptions Management processes: development of priority lists, and management of buildings through an intervention life cycle. <p>IMIS must have a user-friendly graphic interface that provides for tracking and management of key processes in real time, as well as monitoring and</p>

Facilitation Programme 5: Integrated Management Information System (IMIS)

reporting on the building exceptions portfolio.

- Reporting must be easily produced, and provide real-time information on cases under management, cases resolved, new cases in the pipeline.

Eligibility:

Any building targeted for exception management procedures will be included and managed on IMIS.

Programme Implementation:

Step	Activity	Responsible	Risks/ Issues
1. System Specification & Approval	<ul style="list-style-type: none"> • Draft ToR and Appoint Specialist IT Capacity • Develop IMIS specification including input and requirements from all CoJ partners • Specify systems integration functionality between City Databases 	IMIS Task Group (Housing, Legal, Planning, Rates, other?)	Must ensure integration of key systems to coordinate activities Integrated system must be supported by all key players
2. Develop, QA and Integrate system	<ul style="list-style-type: none"> • Specialist capacity develops and implements IMIS • QA and test cases 	IMIS Task Group (Housing, Legal, Planning, Rates, other?) External capacity	Quality of input data (GIS, building data, etc)
3. Consolidate Existing Case Information	<ul style="list-style-type: none"> • Consolidate, research and verify and update all existing building lists from City • Include lists from programmes (new targets) 	ICE, programme drivers, Housing, Legal, SPLUM, Rates	
4. System 'Go Live'	<ul style="list-style-type: none"> • Go Live and commence case management on system 	ICE and all project properties	Maintenance of coordination between entities
5. Monitor, Review, Update	<ul style="list-style-type: none"> • Monitor IMIS capabilities, update and improve as required to support programme implementation 	IMIS Task Group	System must expand to meet needs of programmes to avoid redundancy

Implementation Programme

Activity	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
1. System Specification & Approval						
2. Develop, QA and Integrate system						
3. Consolidate Existing Case Information						
4. System 'Go Live'						
5. Monitor, Review, Update						

Facilitation Programme 5: Integrated Management Information System (IMIS)

Financial Implications:

Capex: A substantial capital budget will be required over a two year period for the design, implementation and integration of the key datasets required.

Opex: On-going operating expenditure budgets will be required to keep IMIS running. Funds for outsourced specialists to maintain datasets, as well as for in-house systems capacity will be required.

Programme Budget:

Programme Mgt (Opex) including 8% annual escalation		
Year 1	R	3 760 000
Year 2	R	4 060 800
Year 3	R	1 866 240
Year 4	R	2 015 539
Year 5	R	2 176 782
Total	R	13 879 362

Institutional & CoJ Capacity Implications:

- **Institutional Location:** IMIS must be located with, and controlled by the ICE team. Access can be granted to other City functions, but overall control must vest with the ICE team.
- **Internal Integrative Requirements:** IMIS must have real-time links to key internal CoJ systems (Corporate GIS, Rates Database, Deeds Database)
- **External Integrative Requirements:** IMIS should develop real-time links to external datasets of value, such as CAHF's property finance dataset.
- **External Capacity:** Core datasets of IMIS should be outsourced to specialist service providers to develop, implement and maintain. This includes Deeds data.

5.4 Supporting framework

In order to implement the above programmes effectively the following supporting framework must be established:

- **Precinct Prioritisation:** Programmatic interventions must develop their own implementation capacity, but their implementation must be coordinated within prioritised precincts. A key focus of implementation must be to achieve substantial impact within an area so as to turnaround the area. This will require coordination across programmes and implementing entities.
- **Infrastructure Regularisation:** Capacity of reticulation infrastructure must be assessed and addressed (water, sanitation, electricity, transport). and service infrastructure needs to be addressed. In this regard a study needs to be undertaken on the current capacity of the existing infrastructure and a plan on how to enhance the infrastructure given current and future anticipated densities developed and implemented.

5.5 Alignment to Inner City Roadmap

Building a platform for sustainable human settlements in the Inner City - Linking with the Inner City Transformation Roadmap

This housing implementation plan aligns with the objectives of the Inner City Roadmap. The vision of the Roadmap is to establish Inner City Johannesburg as:

A place of opportunity ... A well-governed, transformed, safe, clean and sustainable Inner City of Johannesburg, which offers high quality, sustainable services; supports vibrant economic activity; and provides a welcoming place for all residents, migrants, commuters, workers, traders, investors and tourists.

As the press release of that overarching Inner City strategy states:

We need to deliver and maintain services that are sustainable in the long term; to provide the social support and facilities that promote inclusivity and diversity; and to encourage productivity and the economic endeavours of large and small business. This can only be achieved with good governance and strategic planning and budgeting. It can only be sustained with dedicated effort to maintain and repair the infrastructure that is the backbone of the built environment. And it is best achieved within neighbourhoods – a planning and implementation system that is focused on delivery and maintenance at the local scale. This area-based focus as well as the outcomes-based approach to setting goals and measuring success are both essential if we are to tackle issues in the Inner City in a holistic way.

Building sustainable human settlements in the Inner City is a core principle of the Roadmap. Stimulating housing supply as this strategy suggests is a crucial intervention in this regard, and stimulating supply of housing for the poor is particularly important. But sustainable development of housing cannot be achieved through shelter solutions alone. It relies principally on the other pillars of the Roadmap being pursued.

This implementation plans speaks in particular to the first short term outcome of the tasks outlined for 'Workstream 2: Housing the poor and Indigent' which states:

Whilst social housing institutions and private developers have been delivering housing units to lower income households, the on-going need for accommodation for very poor residents and newcomers to the city remains one of the most critical issues in the Inner City. The absence of affordable, entry-level housing for very poor Inner City residents feeds the so-called slumlord developments and bad buildings in the Inner City. These in

turn lead to extreme health, safety and social problems, infrastructural deficiencies and urban decay. Efforts to house poorer residents of the Inner City should focus on upgrading hostels and formalising informal settlements in the Inner City. The experience over the history of the Inner City Charter has highlighted the need for innovation and delivery in this sector. New housing typologies must be piloted and those that are working need to be rolled out. The funding models and institutional arrangements that are partially tested need further development. The following housing outcomes are committed to in the Roadmap:

Table 7: Inner City housing outcomes (Roadmap)

Medium-term outcome	Short-term outcome	Outputs
All levels of Inner City housing delivery and management are coherently planned and budgeted for	An Inner City Housing Plan is operationalised	An Inner City Housing task team is established and oversees housing categorisation and delivery of a range of entry level housing
		The Inner City Housing Action Plan is developed and implemented
		A detailed urban design plan and guidelines for development of sustainable living environments is implemented for the in Inner City
		Business plans for various housing typologies are operationalised
		A 5 year business plan for housing poor residents is operationalised
		Agreements are institutionalised with GPG and national government for Inner City housing delivery
		Innovative housing typologies for Inner City housing for poor residents are incentivised and rolled out
		Green building guidelines are incentivised and rolled out for Inner City housing development
		Suitable land and buildings available to the City through ICPS will be screened and allocated for housing
	Effective regulation frames housing development	By laws impacting on Inner City housing are reviewed and updated
Shelter is provided for indigent residents of the Inner City	Programmes for emergency and special needs shelter are in place	Housing research and data is collected, collated and distributed by the City
		A monthly joint operations committee for homeless services is run with relevant departments and NGOs/CBOs
		Support programmes are operationalised in City run shelters
		A 5 year plan for emergency housing is implemented. An audit of informality in Inner City is conducted and buildings and spaces prioritised for securing health and safety.
	Inclusionary housing is developed in Inner	A strategy for supporting homeless persons is implemented through Human Settlements & Community Development Depts
		Incentives for inclusionary housing are operationalised and communicated

Medium-term outcome	Short-term outcome	Outputs
	City	Institutional arrangements for inclusionary housing are effected
		Financing arrangements for inclusionary housing are resolved with the banking sector
	Sectional title is supported in Inner City	Training and education is provided for developers, bodies corporate and tenants
		A sectional title intervention programme is piloted in 10 buildings
	Hostels and informal settlements in the Inner City are upgraded	A programme of hostel upgrading is finalised and implemented along with GPG
		A programme for upgrading and management of all Inner City informal settlements is finalised and implemented
Resolution of law and bylaw infringements in bad buildings; revised Inner City Property Scheme	Bad buildings law enforcement operationalised through plans, targets and staffing	A Bad Buildings Strategy is approved
		A single, updated bad buildings database is operational in all City departments and entities
		Law enforcement has commenced on 100% of buildings categorised as hi-jacked/very bad
		Law enforcement is completed on actions commenced in Doornfontein, Fashion District, Hillbrow/Berea and additional special cases
		Upgrading/ law enforcement agreements are reached with tenants/owners in a minimum % of slummed buildings
		Abandonment agreements are completed annually and relevant buildings are handed to ICPS
		60% of buildings in target blocks are under renovation
		Landlords are brought into RSL programme subject to compliance with building management and upgrading criteria
		A programme for law enforcement and agreements in sectional title buildings is operationalised
		All laws and by-laws and procedures pertaining to bad buildings are reviewed and bylaws are updated

The Roadmap lists many challenges that confront development and the creation of opportunity in the Inner City.

It recommends a coherent and comprehensive strategy based on five pillars of intervention. While each of these supports and is supported by the housing objective, there are certain key interventions that must be tackled to ensure a basic platform for effective housing performance.

These include the following short-term priority programmes:

Table 8: Inner City Roadmap Short-Term Priority Programmes

Establishing effective property rating and billings systems

Increasing and incentivising private investment in the Inner City is dependent on effective property rating and effective billing for services. Often inadequate meter reading, ineffective billing, inappropriate rating on some properties and delays in the release of clearance certificates for services have frustrated property development and management processes. The requirements for effective systems include that a transparent process be established and communicated, including in an accessible "citizens' guide" for clearance certificates, billings and the tariffs system, rebates and procedures for Inner City development. Correct and fair tariffs need to be applied to all Inner City properties.

The processing of clearance certificates needs to be streamlined and a tracking and communication system attached to the processing of clearance certificates. In addition, procedures for the reporting and prosecution of cases of fraud related to the issuing of clearance certificates will be established and prioritised.

Transparent procedures need to be developed to legally and effectively integrate private sector metering and monitoring into billing systems in a streamlined manner.

The City needs to communicate protocols and warnings on cut offs, on debt collection and on rates and tariffs clearly.

Tariffs for Inner City residential development for poor households need to be revised and applicable rebates made available.

A fully updated and up to date audit of Inner City property payments and outstanding payments on rates and tariffs needs to be maintained.

Integrated public space management

Urban management is a local issue, it is where the City is 'on the ground', dealing with day-to-day problems that arise from service delivery breakdowns and by-law infringements. Urban management is also a multidisciplinary concern that requires a strong institutional structure as well as integrated information and response. Region F has begun to create a coordinated multidisciplinary unit within its offices, however, in the following years this work needs to be strengthened with capacity from various departments and entities. The coordination across City units requires that firm service level agreements (SLAs) are established between Region F and the units responsible for service delivery and management in the Inner City. As a first step a pilot programme will be undertaken, tested, measured and reiterated in order to replicate it across the Inner City.

Laying the foundation of integrated public space management

A pilot integrated public space management is aimed at establishing the processes for 'getting the basics' of street management right in the Inner City. It will be developed for a restricted part of the Inner City, where it will be tested, measured and refined for further roll out. An area in the core CBD will be selected for the pilot, which will integrate the activities of the entities and departments responsible for street level management in the Inner City. The following tasks will be tackled through an integrated street management team and an integrated management process:

- Repair and maintain all traffic lights;
- Repair, upgrade and maintain all street signage- road names and traffic notices;

Integrated public space management

- Remove all excess and broken street furniture;
- Repair all necessary street furniture;
- Remove all rubble;
- Repair all storm water outlets and kerb inlets and replace all manhole covers;
- Repair potholes;
- Repair all water leaks;
- Clean park space, maintain equipment;
- Repair and maintain public ablutions;
- Undertake a coordinated cleaning programme (not a once-off campaign) with Pikitup, street traders and CIDs /private sector;
- Undertake traffic congestion law enforcement and education;
- Undertake street trader law enforcement and education.

Inner City Safety and Security Plan

Ensuring that people feel safe and secure in the Inner City at all times is the key priority of Inner City rejuvenation. The Inner City Safety and Security Plan is clear on this. Much has been achieved through the increasing of visible public policing, the large number of private security programmes and the installation of CCTV cameras in the Inner City. The multidisciplinary approach of tackling crime and urban management in a coordinated way has shown significant results. However there is much to be done and several initiatives have not been effectively carried through. Law enforcement, safety and security and urban management go hand in hand. The Inner City Safety Strategy recognises this and provides a platform for the coordination of the agencies that undertake law enforcement, crime prevention and urban management. This strategy has been piloted but must be reinvigorated and rolled out in the Inner City.

Elimination of bad buildings – Inner City Property Scheme

Eliminating 'bad buildings' is a key priority within this outcome. The problems associated with 'bad buildings' pose a grave threat to the stability and the course of Inner City regeneration. They also presage degeneration in other areas of the city. Independent of this threat they have severe negative impacts for residents, owners, the municipality, and the environment. Efforts to tackle 'bad buildings' have met with some success but have not tackled both the causes and symptoms of bad buildings. Nor has a coherent strategy been developed and implemented to address the problems at scale. The seriousness of the problems associated with 'bad buildings' requires a high level response and a strategy that is prioritised as a key thrust within the City of Johannesburg. In this roadmap several departments and entities are allocated tasks in relation to dealing with bad buildings.

However bad buildings are not just an urban management problem. Addressing bad buildings is cross cutting. It requires law enforcement efforts of the City's legal department and of Region F, in concert with JMPD, Environmental Management, DPUM and others. It also requires that the City coordinate its law enforcement efforts with those of provincial and national spheres of government. This means that all stakeholders need access to information on building conditions and on the tracking of cases so that a coordinated response is possible. Bad buildings impact on the environmental health of the Inner City and so Environmental Management needs to respond to the conditions that are created as a result of declining

Elimination of bad buildings – Inner City Property Scheme

service levels and increased stress on the neighbouring areas from these buildings. As these conditions are fundamentally driven by housing need, the Housing Department is also implicated in the resolution of bad buildings. The Housing Department needs to create conditions so that poor and vulnerable households can access decent accommodation.

As a first step an audit of informal living in the Inner City will be undertaken. The City requires a sense of the scale of informal living within Inner City buildings as well as the circumstances and needs of those living in the worst of such buildings – which are often informal settlements within warehousing or derelict buildings. A programme of action to secure health and safety in such circumstances is a priority.

The Inner City Property Scheme is under review. It must incorporate strategies for the rehabilitation of bad buildings in a comprehensive fashion

Building Audit

An audit and programmatic rehabilitation plan is required for all infrastructure services: water, sanitation, electricity, and waste. The Inner City is a dynamic environment which places extremely high pressure on all infrastructure and services and its functionality depends on the quality and reliability of those services. These factors put an additional strain on an already ageing and overstretched infrastructure. In the Inner City, most of the infrastructure is in place, but there is a need for the servicing of new developments as well as addressing the need for improving infrastructure where it is strained or depleted. An important component of the task ahead is planning for the pro-active rehabilitation of services. This requires that the City undertake audits of water, waste and power services and that a programme of rolling upgrades be developed. This will need to be prioritised, phased and budgeted for over the coming years. In addition the maintenance plans that have in recent times relied on a reactive approach, are to be reworked into pro-active strategies for ongoing maintenance. These audits and planning are to be consolidated into a Comprehensive Infrastructure Plan.

Providing additional social services

Increasing access to and the supply of social services and facilities are key priorities. The increasingly residential nature of the Inner City has not been matched with adequate social services and facilities. There is currently a dire shortage of such facilities. The coordination of existing social services and the development of appropriate future services require planning with a master plan for social services in the Inner City, taking into account the current conditions, the present services and facilities and the scale and type of need required. The need for community services must also be better understood by the City, requiring a thorough analysis and the updating of databases of vulnerable groups as well as of the public, private and non-profit services available in the Inner City, to form part of the inputs into a social services master plan for the Inner City. In order to ensure an outcomes-based approach to the delivery of social services, the specific targeting of various vulnerable groups in the Inner City is necessary. Services need to cater specifically to the needs of orphans, abused women, persons with skills deficiencies, street children, the aged, migrants, displaced persons and the destitute.

6 Funding

Set out below are the financial implications based on our assumed delivery rates and cost assumption as set out in the model (see separate Excel workbooks).

Costs have been indicated separately for the Delivery and Facilitative programmes. Also indicated in respect of the Delivery Programmes is the estimated number of accommodation units delivered and number of households impacted.

6.1 Overall Financial Implications- Delivery Programmes

Table 9: Overall Financial Implications- Delivery Programmes

<i>Year #</i>	1	2	3	4	5	Total
<i>Financial Year</i>	2016/17	2017/18	2018/19	2019/20	2020/21	
1. Temp Accom						
Number of Accommodation Units	500	500	500			1 500
Number of People Assisted	2 500	2 500	2 500	-	-	7 500
Total Programme Cost	R 30 913 500	R 39 218 580	R 48 794 594	R 22 787 646	R 25 278 309	R 166 992 629
Capital cost	R 24 013 500	R 25 934 580	R 28 009 346	R -	R -	R 77 957 426
Operating cost	R 5 400 000	R 11 664 000	R 18 895 680	R 20 407 334	R 22 039 921	R 78 406 936
Programme Management costs	R 1 500 000	R 1 620 000	R 1 889 568	R 2 380 311	R 3 238 387	R 10 628 267
Programme Funding - Capital Costs						
Subsidy / Incentives - COJ	R 24 013 500	R 25 934 580	R 28 009 346	R -	R -	R 77 957 426
Private Sector Capital						
Private Sector Debt						
COJ TOTAL COSTS	R 30 913 500	R 39 218 580	R 48 794 594	R 22 787 646	R 25 278 309	R 166 992 629

<i>Year #</i>	1	2	3	4	5	Total
<i>Financial Year</i>	2016/17	2017/18	2018/19	2019/20	2020/21	
2. Subsidised rental accommodation (Muni)						
Number of Accommodation Units	800	800	800	800	800	4 000
Number of People Assisted	2 400	2 400	2 400	2 400	2 400	12 000
Total Programme Cost	R 148 160 000	R 160 896 000	R 174 574 080	R 175 534 080	R 176 494 080	R 835 658 240
<i>Capital cost</i>	<i>R 147 200 000</i>	<i>R 158 976 000</i>	<i>R 171 694 080</i>	<i>R 171 694 080</i>	<i>R 171 694 080</i>	<i>R 821 258 240</i>
<i>Operating cost</i>	<i>R 960 000</i>	<i>R 1 920 000</i>	<i>R 2 880 000</i>	<i>R 3 840 000</i>	<i>R 4 800 000</i>	<i>R 14 400 000</i>
<i>Programme Management costs</i>	<i>R -</i>	<i>R -</i>	<i>R -</i>	<i>R -</i>	<i>R -</i>	<i>R -</i>
Programme Funding - Capital Costs						
<i>Subsidy / Incentives - COJ</i>	<i>R 147 200 000</i>	<i>R 158 976 000</i>	<i>R 171 694 080</i>	<i>R 171 694 080</i>	<i>R 171 694 080</i>	<i>R 821 258 240</i>
<i>Private Sector Capital</i>	0	0	0	0	0	
<i>Private Sector Debt</i>	0	0	0	0	0	
COJ TOTAL COSTS	R 148 160 000	R 160 896 000	R 174 574 080	R 175 534 080	R 176 494 080	R 835 658 240
3. Subsidised rental accommodation (Pvt)						
Number of Accommodation Units	300	300	300	300	300	1500
Number of People Assisted	900	900	900	900	900	4500
Total Programme Cost	R 51 300 000	R 55 404 000	R 59 976 288	R 65 113 969	R 70 990 738	R 302 784 995
<i>Capital cost</i>	<i>R 49 800 000</i>	<i>R 53 784 000</i>	<i>R 58 086 720</i>	<i>R 62 733 658</i>	<i>R 67 752 350</i>	<i>R 292 156 728</i>
<i>Operating cost</i>	<i>R -</i>	<i>R -</i>	<i>R -</i>	<i>R -</i>	<i>R -</i>	<i>R -</i>
<i>Programme Management costs</i>	<i>R 1 500 000</i>	<i>R 1 620 000</i>	<i>R 1 889 568</i>	<i>R 2 380 311</i>	<i>R 3 238 387</i>	<i>R 10 628 267</i>
Programme Funding - Capital Costs						
<i>Subsidy / Incentives - COJ</i>	<i>R 11 809 091</i>	<i>R 12 753 818</i>	<i>R 13 774 124</i>	<i>R 14 876 054</i>	<i>R 16 066 138</i>	<i>R 69 279 224</i>
<i>Private Sector Capital</i>	<i>R 9 960 000</i>	<i>R 10 756 800</i>	<i>R 11 617 344</i>	<i>R 12 546 732</i>	<i>R 13 550 470</i>	<i>R 58 431 346</i>
<i>Private Sector Debt</i>	<i>R 28 030 909</i>	<i>R 30 273 382</i>	<i>R 32 695 252</i>	<i>R 35 310 873</i>	<i>R 38 135 742</i>	<i>R 164 446 158</i>
COJ TOTAL COSTS	R 13 309 091	R 14 373 818	R 15 663 692	R 17 256 365	R 19 304 525	R 79 907 491

	Year # Financial Year	1 2016/17	2 2017/18	3 2018/19	4 2019/20	5 2020/21	Total
4. Social Housing Accommodation							
Number of Accommodation Units		200	200	200	200	200	1 000
Number of People Assisted		1 080	1 080	1 080	1 080	1 080	5 400
Total Programme Cost		R 75 000 000	R 81 000 000	R 87 480 000	R 94 478 400	R 102 036 672	R 439 995 072
Capital cost		R 75 000 000	R 81 000 000	R 87 480 000	R 94 478 400	R 102 036 672	R 439 995 072
Operating cost		R -	R -	R -	R -	R -	R -
Programme Management costs		R -	R -	R -	R -	R -	R -
Programme Funding - Capital Costs							
Subsidy / Incentives - COJ		R 25 123 000	R 25 123 000	R 25 123 000	R 25 123 000	R 25 123 000	R 125 615 000
Subsidy / Incentives - Other		R 22 189 400	R 23 964 552	R 23 964 552	R 23 964 552	R 23 964 552	R 118 047 608
Private Sector Capital		R -	R -	R -	R -	R -	R -
Private Sector Debt		R 27 687 600	R 31 912 448	R 38 392 448	R 45 390 848	R 52 949 120	R 196 332 464
COJ TOTAL COSTS		R 25 123 000	R 25 123 000	R 25 123 000	R 25 123 000	R 25 123 000	R 125 615 000
5. Small Landlord							
Number of Accommodation Units		100	100	100	100	100	500
Number of People Assisted		250	250	250	250	250	1 250
Total Programme Cost		R 17 233 001	R 18 611 641	R 20 240 540	R 22 199 362	R 24 642 962	R 102 927 505
Capital cost		R 15 733 001	R 16 991 641	R 18 350 972	R 19 819 050	R 21 404 574	R 92 299 238
Operating cost		R -	R -	R -	R -	R -	R -
Programme Management costs		R 1 500 000	R 1 620 000	R 1 889 568	R 2 380 311	R 3 238 387	R 10 628 267
Programme Funding - Capital Costs							
Subsidy / Incentives - COJ		R 2 359 950	R 2 548 746	R 2 752 646	R 2 972 858	R 3 210 686	R 13 844 886
Private Sector Capital		R 2 359 950	R 2 548 746	R 2 752 646	R 2 972 858	R 3 210 686	R 13 844 886
Private Sector Debt		R 11 013 101	R 11 894 149	R 12 845 681	R 13 873 335	R 14 983 202	R 64 609 467
COJ TOTAL COSTS		R 3 859 950	R 4 168 746	R 4 642 214	R 5 353 169	R 6 449 074	R 24 473 153

Year #	1	2	3	4	5	Total
Financial Year	2016/17	2017/18	2018/19	2019/20	2020/21	
6a. Home Ownership						
Number of Accommodation Units	100	100	100	100	100	500
Number of People Assisted	500	500	500	500	500	2 500
Total Programme Cost	R 6 082 500	R 6 569 100	R 7 094 628	R 7 662 198	R 8 275 174	R 35 683 600
<i>Capital cost</i>	<i>R 4 582 500</i>	<i>R 4 949 100</i>	<i>R 5 345 028</i>	<i>R 5 772 630</i>	<i>R 6 234 441</i>	<i>R 26 883 699</i>
<i>Operating cost</i>	<i>R -</i>	<i>R -</i>	<i>R -</i>	<i>R -</i>	<i>R -</i>	<i>R -</i>
<i>Programme Management costs</i>	<i>R 1 500 000</i>	<i>R 1 620 000</i>	<i>R 1 749 600</i>	<i>R 1 889 568</i>	<i>R 2 040 733</i>	<i>R 8 799 901</i>
Programme Funding - Capital Costs						
<i>Subsidy / Incentives - COJ</i>						
<i>Subsidy / Incentives - Other</i>	<i>R 4 582 500</i>	<i>R 4 949 100</i>	<i>R 5 345 028</i>	<i>R 5 772 630</i>	<i>R 6 234 441</i>	<i>R 26 883 699</i>
<i>Private Sector Capital</i>						
<i>Private Sector Debt</i>						
COJ TOTAL COSTS	R 1 500 000	R 1 620 000	R 1 749 600	R 1 889 568	R 2 040 733	R 8 799 901
6b. RDP						
Number of Accommodation Units	100	100	100	100	100	500
Number of People Assisted	500	500	500	500	500	2 500
Total Programme Cost	R 30 390 000	R 33 404 400	R 36 706 608	R 40 323 381	R 44 283 916	R 185 108 305
<i>Capital cost</i>	<i>R 26 850 000</i>	<i>R 28 998 000</i>	<i>R 31 317 840</i>	<i>R 33 823 267</i>	<i>R 36 529 129</i>	<i>R 157 518 236</i>
<i>Operating cost</i>	<i>R 540 000</i>	<i>R 1 166 400</i>	<i>R 1 889 568</i>	<i>R 2 720 978</i>	<i>R 3 673 320</i>	<i>R 9 990 266</i>
<i>Programme Management costs</i>	<i>R 3 000 000</i>	<i>R 3 240 000</i>	<i>R 3 499 200</i>	<i>R 3 779 136</i>	<i>R 4 081 467</i>	<i>R 17 599 803</i>
Programme Funding - Capital Costs						
<i>Subsidy / Incentives - COJ</i>	<i>R 8 850 000</i>	<i>R 9 558 000</i>	<i>R 10 322 640</i>	<i>R 11 148 451</i>	<i>R 12 040 327</i>	<i>R 51 919 418</i>
<i>Subsidy / Incentives - Other</i>	<i>R 18 000 000</i>	<i>R 19 440 000</i>	<i>R 20 995 200</i>	<i>R 22 674 816</i>	<i>R 24 488 801</i>	<i>R 105 598 817</i>
COJ TOTAL COSTS	R 12 390 000	R 13 964 400	R 15 711 408	R 17 648 565	R 19 795 114	R 79 509 487

<i>Year #</i>	1	2	3	4	5	Total
<i>Financial Year</i>	2016/17	2017/18	2018/19	2019/20	2020/21	
TOTAL						
Number of Accommodation Units	2 100	2 100	2 100	1 600	1 600	9 500
Number of People Assisted	8 130	8 130	8 130	5 630	5 630	35 650
Total Programme Cost	R 359 079 001	R 395 103 721	R 434 866 739	R 428 099 036	R 452 001 850	R 2 069 150 346
<i>Capital cost</i>	<i>R 343 179 001</i>	<i>R 370 633 321</i>	<i>R 400 283 987</i>	<i>R 388 321 085</i>	<i>R 405 651 245</i>	<i>R 1 908 068 639</i>
<i>Operating cost</i>	<i>R 6 900 000</i>	<i>R 14 750 400</i>	<i>R 23 665 248</i>	<i>R 26 968 312</i>	<i>R 30 513 241</i>	<i>R 102 797 202</i>
<i>Programme Management costs</i>	<i>R 9 000 000</i>	<i>R 9 720 000</i>	<i>R 10 917 504</i>	<i>R 12 809 638</i>	<i>R 15 837 363</i>	<i>R 58 284 505</i>
Programme Funding - Capital Costs						
<i>Subsidy / Incentives - COJ</i>	<i>R 219 355 541</i>	<i>R 234 894 144</i>	<i>R 251 675 836</i>	<i>R 225 814 442</i>	<i>R 228 134 231</i>	<i>R 1 159 874 195</i>
<i>Subsidy / Incentives - Other</i>	<i>R 44 771 900</i>	<i>R 48 353 652</i>	<i>R 50 304 780</i>	<i>R 52 411 998</i>	<i>R 54 687 794</i>	<i>R 250 530 124</i>
<i>Private Sector Capital</i>	<i>R 12 319 950</i>	<i>R 13 305 546</i>	<i>R 14 369 990</i>	<i>R 15 519 589</i>	<i>R 16 761 156</i>	<i>R 72 276 231</i>
<i>Private Sector Debt</i>	<i>R 66 731 610</i>	<i>R 74 079 979</i>	<i>R 83 933 381</i>	<i>R 94 575 056</i>	<i>R 106 068 064</i>	<i>R 425 388 089</i>
COJ TOTAL COSTS	R 235 255 541	R 259 364 544	R 286 258 588	R 265 592 393	R 274 484 835	R 1 320 955 902
CoJ Total Capex	R 219 355 541	R 234 894 144	R 251 675 836	R 225 814 442	R 228 134 231	R 1 159 874 195
CoJ Total Opex	R 15 900 000	R 24 470 400	R 34 582 752	R 39 777 951	R 46 350 604	R 161 081 707

6.2 Overall Financial Implications- Facilitative Programmes

Table 10: Overall Financial Implications- Facilitative Programmes

	Year	1	2	3	4	5	Total
No.	Programme	2016/17	2017/18	2018/19	2019/20	2020/21	
1	Special Programme for Relocation of Evictees	R 6 600 000	R 7 128 000	R 7 698 240	R 8 314 099	R 8 979 227	R 38 719 566
2	Sectional Title Rehabilitation	R 5 800 000	R 6 234 000	R 6 701 220	R 7 204 243	R 7 745 853	R 33 685 316
3	Building Targeting & Release	R 16 660 000	R 17 992 800	R 19 432 224	R 20 986 802	R 22 665 746	R 97 737 572
4	Municipal Process Facilitation	R 13 469 200	R 12 926 736	R 13 960 875	R 15 077 745	R 16 283 964	R 71 718 520
5	Integrated Management Information System (IMIS)	R 3 760 000	R 4 060 800	R 1 866 240	R 2 015 539	R 2 176 782	R 13 879 362
	TOTAL	R 46 289 200	R 48 342 336	R 49 658 799	R 53 598 428	R 57 851 573	R 255 740 336

6.3 Funding mechanisms for the Inner City of Johannesburg

6.3.1 The financing framework

Funding provided by government for human settlements is channelled through the following funding streams:

- **Division of Revenue Act (DORA):** Funds raised by the government through taxes and income earned, as well as borrowing are allocated to the national, provincial and local spheres of government in terms of DORA through two mechanisms:
- **The equitable share for local and provincial governments.** The primary objective of the equitable share is to ensure that all South Africans have access to basic services. This is an unconditional transfer i.e. local and provincial governments can decide how they want to use it. The equitable share is allocated between provinces on the basis of a predefined formula.
- **Conditional grants** which must be used for the purpose it was allocated. The South African system of conditional grants generally contains three types of grants; supplementary, specific purposes and in-kind-allocations. The key conditional grants relevant to the housing sector are:
 - The **Human Settlement Development Grant (HSDG)** of which there are many different sub-categories (for details see below).
 - The **Urban Settlement Development Grant (USDG)** which is used for the provision of basic services in urban areas and the **Municipal Infrastructure Grant (MIG)** which applies outside of urban areas (for details see below).
- **Municipalities own financial resources.** This is funding from the municipalities capital or operation budget and is used for example to top-up on costs of engineering services or to cover ongoing operating and maintenance costs not covered by rates and service fees. This funding is from the municipalities equitable share and revenues derived from rates and services provision.
- **Household own resources:** Citizens are expected to make their own investments into housing in addition to paying rates and services. Citizens do this either through savings or loan finance raised from financial institutions. The extent to which individuals are able to access loan finance from financial institutions varies in terms of income, with individuals with higher incomes having better access. The two mechanisms that are used are secured loans (mortgage or pension backed loans) and unsecured loans. A key inhibiting factor in accessing these loans is high levels of indebtedness due to the increasing use of unsecured credit. It is estimated that in South Africa 9.22 million consumers have impaired records (47% of 19.6 million credit active consumers)¹³. Research has shown that unsecured lending locks the borrower in for years and severely inhibits their ability to access home ownership. Anecdotal evidence indicates that for most developers 80 to 90% of applications that they receive will be refused a mortgage loan as a result of over indebtedness.

6.3.2 Subsidy mechanisms applicable to the Inner City

The extent to which the government supports individuals in accessing housing varies in terms of income and a range of policy intentions that government has for example upgrading informal settlements. An overview of the subsidy mechanisms that are available is shown in the table below with their applicability to the Inner City specified.

¹³ Perspectives on South Africa's Affordable Housing Market, K Rust , 2013

There are a number of financial mechanisms that offer funding for human settlement development in the Inner City of Johannesburg. Essentially there are three main funding sources:

- The HSDG which offers a range of mechanisms. The City of Johannesburg as a whole will receive an allocation in respect of this funding mechanisms and the Inner City will need to compete to secure an allocation. The subsidy can only be applied rigidly in respect of the specific mechanisms available as detailed in the table above.
- The USDG and FLISP which are provided over and above the HSDG.
- COJ own equitable share and revenues as allocated through the CAPEX and OPEX budgets.

Some of the initiatives proposed will align with the HSDG, USDG and FLISP. Where there is not alignment then the COJ will need to fund the programme out of own funds.

Table 11: Subsidy mechanisms and applicability to the Inner City of Johannesburg

Instrument	Targeted households	Subsidy Amount (1 April 2014)	Product focus	Description	Applicability to Jhb IC
<i>The Human Settlement Development Grant</i>					
Individual Subsidy Programme	<R3,500	R110 947	Can be used to acquire an existing house (secondary market) or a vacant residential serviced stand linked to a house construction contract	Two types are provided non-credit linked and credit linked. The subsidy is paid to the seller in respect of non-credit linked and the financial institution in respect of credit linked	√
Enhanced extended discount benefit scheme	<R3,500	R110 947	The EEDBS is intended to stimulate and facilitate the transfer of public housing stock to qualifying occupants, by using subsidisation up to the full prevailing individual housing subsidy amount.	Comprises the transfer of state owned rental stock to the occupants on different terms and conditions depending on when the stock was built and the nature of the occupant.	√
Rectification of pre 1994 public owned stock	<R3,500	R110 947	To facilitate the improvement of state financed residential properties created through State housing programme interventions during the pre-1994 housing dispensation that are still in ownership of the public sector institution and/or that were disposed of too beneficiaries	The improvement of municipal engineering services where inappropriate levels of services were delivered; and the renovation and/or upgrading or the complete reconstruction of dwellings that are severely structurally compromised and that are regarded as inappropriate for transfer into ownership of the beneficiary or unfit for human habitation, thus posing a threat to the health and safety of the inhabitants.	√
Social and Economic Amenities Grant	All income groups	<ul style="list-style-type: none"> • Clinics – R743,000 • Community hall – R2,7 million • Taxi rank – R1,3 million • Sports facilities – R1,9 million • Small business facilities – R6,8 million • Total grant 	To facilitate the development of basic amenities which are normally funded by municipalities in cases where municipalities are unable to provide such facilities. This Programme therefore promotes the provision of certain basic social/ community amenities and economic facilities within existing and new housing areas, as well as within informal settlement	Grant allocation provided to municipalities who appoint a private sector developer	√

Instrument	Targeted households	Subsidy Amount (1 April 2014)	Product focus	Description	Applicability to Jhb IC
		including project planning and management fees – R7,8 million	upgrading projects		
Consolidation Subsidy Programme	<R3,500	R110 947	Available to beneficiaries of previous government housing assistance schemes who received serviced stands in ownership to construct a house on their stands or to upgrade/complete their house. Also being used to build the top structure in an informal settlement upgrading intervention	Accessed by the municipality on a project basis and approved via a submission to the MEC. Municipality usually contracts a contractor or programme manager to undertake the work	✗
Emergency Housing Programme	Predominantly hhs <R3,500 but could include hhs with higher incomes	R59 104	Provides temporary assistance in the form of secure access to land and/or basic municipal engineering services and/or shelter in a wide range of emergency situations including relocation of informal settlements where the location poses a risk to the inhabitants health	Accessed by the municipality on a project basis and approved via a submission to the MEC. Municipality usually contracts a contractor to undertake the work	√
Integrated Residential Development Programme (IRDP)	R0 – R15 000	House cost – R110 947 A grade engineering level – R43 626 B grade engineering level – R34 401 Actual cost of raw land	Provides for planning and developing an integrated project, providing for the housing, social and economic needs of different income categories. It does away with the requirement found in other policy programmes to identify subsidised housing recipients up front and provides for both subsidised, as well as finance linked housing, social and rental housing, commercial,	Projects undertaken in two phases. The first phase encompassing planning, land acquisition, township establishment and providing serviced residential stands in a variety of price categories as well as stands for other land uses. In the second phase houses are constructed for qualifying housing beneficiaries and the sale of stands to non qualifying beneficiaries and to commercial interests etc. is undertaken.	√

Instrument	Targeted households	Subsidy Amount (1 April 2014)	Product focus	Description	Applicability to Jhb IC
			institutional and other land uses to be developed. Replaces the project linked subsidy programme.		
Upgrading Informal Settlements Programme (UISP)	< R3,500	Phase 1: survey & participation – 3% of project cost, geotec & preplanning engineering services – R8 021 Phases 2 & 3: town planning to permanent engineering services – R26,031, project management – 8% of total cost Relocation grant: R1 462	To facilitate the structured in situ upgrading of informal settlements as opposed to relocation. Provides funding for all activities to provide households with a serviced site on an ownership basis. Does not include a top structure	Comprises a grant to municipalities generally provided as part of the NUSP programme. Promotes that settlement upgrading is undertaken in 3 phases focusing on community participation, supply of basic services and security for all residents.	✗
Enhanced People's Housing Process	< R3,500	R160 573	Enhanced People's Housing Process (EPHP) is a process where beneficiaries are actively involved in the decision making over the housing process, product and make a contribution towards the building of their own homes.	Can be applied in areas where communities have already organized themselves or where there is an opportunity to mobilize communities. Generally the municipality appoints a NGO/CBO to implement the project.	✓
Community Residential Units Programme (CRU)	< R3,500	A square metre rate is applied. Recent unpublished research indicates that the average cost per unit is R319,000 for a 46m ² but the variance is significant	Upgrade or rehabilitate public owned housing stock or hostels	Grant allocation provided to municipalities who appoint a private sector developer	✓
Social Housing Programme	R1,500 – R7,500	Grant from the SHRA of R125,615 per unit	Provision of rental stock in designated restructuring zones with	Grant is provided to an accredited social housing institution who is regulated by the Social Housing	✓

Instrument	Targeted households	Subsidy Amount (1 April 2014)	Product focus	Description	Applicability to Jhb IC
(Restructuring Capital Grant)			a focus on restructuring and creation of affordable rental units	Regulatory Authority	
Institutional Subsidy	< R3,500	R110,000 per unit but this varies by province	Provision of rental housing to support Social Housing and provide a range of creative and affordable special needs and niche market options	Grant is provided to an accredited social housing institution who is regulated by the Social Housing Regulatory Authority	√
Farm Residents Programme	< R3,500 in rural areas	R160 573	The programme aims to provide a flexible mechanism which will promote access to adequate housing, including basic services (as an option of last resort) and secure tenure to farm workers and residents in a variety of farming situations across the country. In addition the programme aims to provide housing solutions on a project basis for registered labour tenants.	The programme will apply in the following circumstances: - Development by Farm owner - Subdivision of the farm land and transfer thereof to the farm residents and development options by the farm owner, the provincial government or the municipality - Development for beneficiaries who received individual farm land in ownership through the Land Reform programme of the Department of Rural Development and Land Reform as contemplated by the Land Reform (Labour Tenants) Act, 1996. - Accommodation for seasonal workers	✗
Finance Linked Individual Subsidy Programme (FLISP)	R3,501 – R15,000	Varies by income from R87,000 to R20,000 but on average is R52,500	Acquire ownership of an existing residential property or vacant serviced residential stand or build a new house with the assistance of a homebuilder registered with the National Home Builders Registration Council (NHBRC).	Accessed via a financial institution when securing a mortgage loan	√
Other subsidies					

Instrument	Targeted households	Subsidy Amount (1 April 2014)	Product focus	Description	Applicability to Jhb IC
Urban Settlements Development Grant (USDG) (only for metro's)	Predominantly <R3,500 but can include all hhs	Overall grant to metropolitan municipalities based on a fiscal formulae	Supports the development of sustainable human settlements and improved quality of life for households through supplementing municipal resources including prioritising residential infrastructure for water, sanitation, refuse removal, streets lighting, solid waste, connector and bulk infrastructure, and roads and the planning, funding and development of human settlements	Municipalities are required to develop a business plan that forms the basis of the grant agreement and to then report on the basis by which funds are spent.	√
Municipal Infrastructure Grant (MIG)	Predominantly <R3,500	Allocation on the basis of a formulae	The Municipal Infrastructure Grant (MIG) is a municipal infrastructure funding arrangement. It combines all the previous existing capital grants for municipal infrastructure into a single consolidated grant.	<p>The key objectives of the Municipal Infrastructure Grant are to:</p> <ul style="list-style-type: none"> - Fully subsidise the capital costs of providing basic services to poor households through the provision of appropriate bulk, connector and internal infrastructure in key services; - Distribute funding for municipal infrastructure in an equitable, transparent and efficient manner 	✗

7 Implementation Arrangements

7.1 Proposed institutional arrangements

The implementation of this strategy requires that it be institutionalised within the City. It must align with existing City strategy and in particular with the institutional arrangements proposed in the Inner City Transformation Roadmap.

In order to deliver on the ICHIP the City needs to strengthen its institutional approach (in the main to ensure clear and more appropriate lines of accountability) and considerably increase the level of human resource allocated to the task.

The institutional arrangements need to be able to meet the following requirements

- Dedicated capacity
- Authority to fast-track processes and streamline blockages
- Coordination of information systems, regulatory capacity, subsidy instruments and implementation capacity
- Coordination with other Inner City programmes
- Coordination of private sector facilitated delivery programme/s
- Coordination of housing demand with housing supply initiatives
- Response to critical short term and emergency housing requirements
- Financial management of subsidy allocations as well as of capital expenditure on development
- Development implementation and facilitation
- While it would be ideal to rationalise all the housing facilitation and delivery programmes into an Inner City Housing Programme Office, the City does not have the luxury of being able to take on a massive redesign of institutional arrangements to establish such an office at present. However there are important rationalising and capacitation task that can be undertaken now to conform and to strengthen the institutional homes of the various aspects of the implementation plan.

Two pillars: Facilitation and Housing Delivery

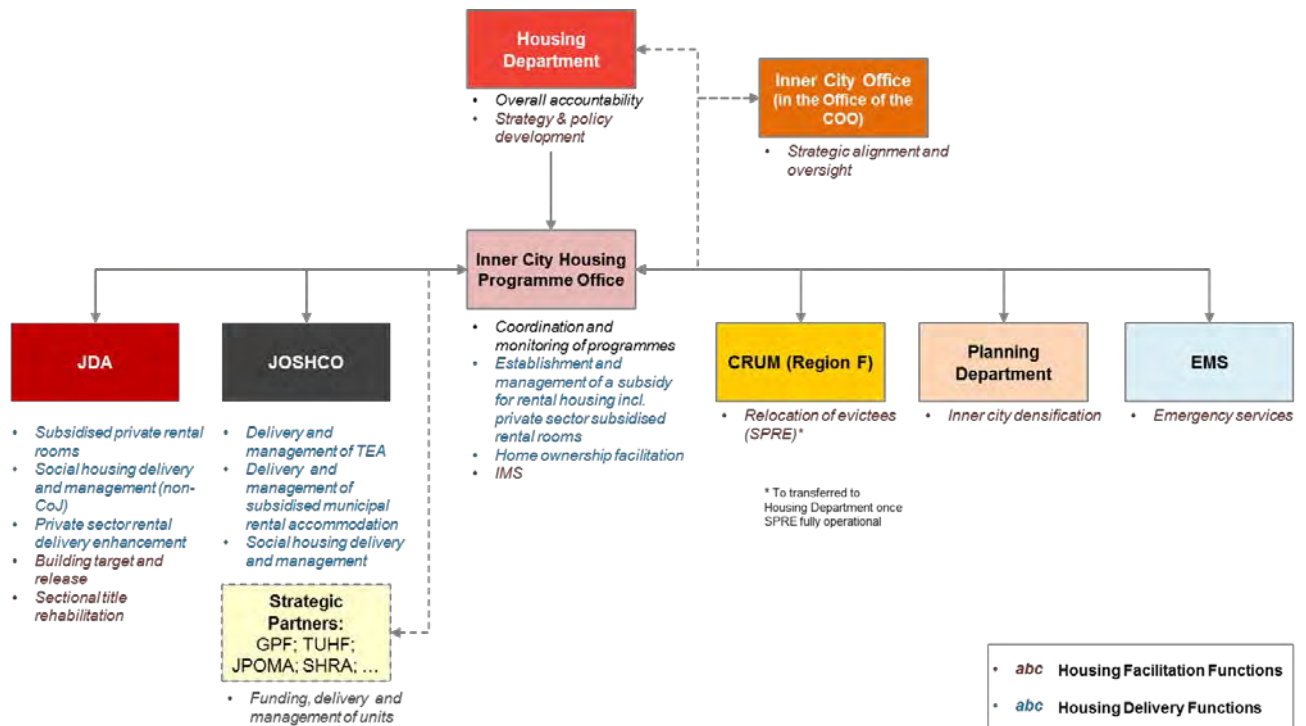
There are *two institutional components required for the implementation of the housing strategy.*

One is the *allocation of the people, resources and instruments to oversee a strategic programme that ensures the alignment of housing delivery with the strategy*, but also aligns such delivery within the planning frameworks of the City and in concert with delivery of social infrastructure. It includes the legal mediation required to unlock building stock and resolve poor living conditions in buildings that are currently trapped within poor building management and degraded overcrowded conditions. The above functions focus on the facilitation programmes defined in the strategy.

The *second institutional requirement is the allocation of people, resources and instruments to drive the housing delivery programme.*

The roll out of this plan implicates the Inner City Office within the Office of the City Manager; Housing Department; Planning Department and JOSHCO as lead departments of various elements of the plan. Ultimate accountability for the overall Inner City housing programme rests with Housing Department. That department must therefore coordinate the various elements and will require a dedicated unit (Inner City Programme Office) to do so. This unit will work closely with the Inner City Office.

Figure 15: Institutional / Functional Arrangements for the ICHIP



This housing strategy is a sector specific component of the Inner City Roadmap. While specific departments/entities will take responsibility for each housing programme defined in this strategy, all programmes will report to the Housing Working Group and any specialised task teams defined in that working group. This level of coordination will offer the necessary cross over between programmes and link the housing programmes to other Inner City Roadmap . The Housing Working Groups established within the Inner City Roadmap has defined tasks, representative membership and firm reporting lines to the Inner City Partnership and Inner City Office structures.

Two pillars of implementation will guide the housing programmes, namely Housing Facilitation and Housing Delivery.

Housing facilitation incorporates all the programmes required to establish a sound platform for housing delivery to take place. These include strategic planning functions, social development, legal functions, information management and urban management.

Housing delivery is focused on increasing the supply of accommodation.

Dedicated lines of accountability are proposed within these two pillars of the housing plan. These are:

A Housing Facilitation

1 Strategy and policy development

Location: Housing Department

The development of strategy and the updating of strategy is however a core Housing function and must be located within the line department.

This is a dynamic strategy. It requires on-going policy development, updating and reorienting as experience is gained in further housing delivery and management. In addition the rollout

of the strategy requires strong oversight to ensure that the objectives are being met and that policy and practice are aligned. Feedback to the strategy is necessary and this means that the different programmes must be monitored.

All facilitation and delivery programmes are accountable to the strategy office with Housing Department that should be an Inner City Housing Programme Office

The programmes are unwieldy and complicated to understand.

More importantly they are located within different units of the City and it will be difficult for residents to access information about them unless communication is clear and is centralised. An essential part of the Inner City Housing Programme Office is the establishment of a Housing Information desk. This desk must be aligned with a communication strategy and with participatory structures and programmes linked to each housing delivery programme.

- Functions:
- Establish an Inner City Housing Programme Office – small, focused strategic unit
- Develop an operational plan for each programme including tasks, timelines, budgets and responsibility
- Establish a Housing Information Desk
- Develop a communication strategy
- Capacitate a unit to engage with tenants and landlords in each delivery stream
- Participate in negotiations on building targeting and release, sectional title rehabilitation and SPRE
- Develop platforms for engagement, consultation and participation on various housing programmes with Inner City stakeholder groups.
- Local stakeholder engagement
- Education and awareness programmes
- Information dissemination
- Develop a policy and strategy for a municipal housing operational subsidy
- Establish necessary coordination teams for linking programmes and for linking supply and demand initiatives
- Monitor the progress of each facilitation and delivery programmes under the strategy
- Obtain regular (quarterly) reports on the progress of each programme and provide strategic feedback and direction
- Report to the Inner City Office

2 Development facilitation programmes

2.1 Relocation of Evictees

Location: Inner City Office initially; thereafter CRUM (Region F)

SPRE

This programme is cross cutting. It is the process whereby persons who have been evicted are to be provided with temporary accommodation in the first instance and directed to alternative accommodation in the second. The opening up of options for alternative accommodation is the substance of the other programmes in this implementation plan. These cannot successfully address the critical housing shortage for the poor and for those living in high risk housing situations if SPRE is not well developed and a pipeline of temporary and permanent housing options is not developed and synchronised with the prioritisation of buildings and targeting of beneficiaries in need. This makes the SPRE programme central to the implementation plan. The oversight and the roll out of SPRE is also not just a shelter delivery programme but brings together shelter with social services and economic services.

Both the critical nature of SPRE and the cross cutting nature of it-that it underlies other housing programmes and has dependencies beyond housing provision - indicate that it should initially be located within the Inner City Office. Once this programme is established and functional capacity should be built within Housing Department to float this programme to a dedicated unit within that line function.

Functions:

- Approval of SPRE Process
- Set up SPRE unit
- Secure Budget for current financial year
- Re-assess budgets for future years, and adjust as necessary, first for 2015/16 year, and then on an annual basis (with bi-annual adjustments as necessary)
- Assess and shortlist list of properties for re-development into new TEA facilities (land and buildings)
- Negotiate with JOSHCO re use of their 6 newly acquired buildings, and assess feasibility of possible projects
- Free up existing TEA Facilities
- Implementation of the SPRE policy in existing TEA facilities (as a test)
- Acquisition of additional TEA Facilities – land and buildings

2.2 Resolution of Bad Buildings

Location: JDA (incorporating ICPS Unit)

Three programmes are interconnected and require legal mediation and process. These should be accommodated in the same dedicated unit within the City. The programmes are:

2.2.1 Building target and release ('bad buildings')

Location: JDA (incorporating ICPS Unit)

Halting and reversing the number of bad buildings: the Inner City remains beset by slummed, hijacked, dysfunctional managed and severely indebted buildings. This programme will involve in-depth negotiations with tenants and landlords, development of contractual agreements for upgrading of buildings stock and repayment of service charges. It will involve

attachment and expropriation of buildings in cases where other means fail to address the building condition.

The ICPS programme which is the claiming and release of buildings for City use or into the private property market. This programme is intimately linked with housing development and with the rehabilitation of bad buildings. It is the tail end of a pipeline that is initiated in the bad buildings programme and in many instances it will require legal intervention for expropriation and transfer.

The existing capacity with DED for ICPS programme should be transferred to this unit in CRUM.

Functions:

- Develop & Approve CoJ Building Targeting and Release Approach
- Establish institutional and Systems capability
- Consolidate Building Targets
- Secure Financing
- Target & Implement
- Release properties to City, other programmes
- Ongoing M&E

2.2.2 Provision of Emergency Services to High Risk Buildings

Location: EMS

Many overcrowded buildings in the inner city are in effect high-rise informal settlements. In extreme cases and where buildings are targeted for resolution through the bad buildings programme defined above, it will be necessary to provide emergency services to secure basic health and safety. While the building release programme offers a key avenue for resolution of such buildings, attention must be paid to short term emergency actions to relieve absolute risk where necessary and while longer term programmes are being followed.

Functions

- Identification of emergency buildings
- Situating of buildings within the appropriate facilitation/delivery programme
- Engagement with residents
- Agreements with residents for basic emergency short term service provision and payment
- Provision of emergency level water, sanitation and waste removal services
- On-going monitoring and engagement

2.2.3 Sectional Title Rehabilitation

Location: JDA (incorporating ICPS Unit)

The resolution of sectional title developments is a mediated process involving negotiations with tenants and landlords. It also involves the rehabilitation or establishment of Bodies Corporate, appointment and monitoring of administrators and administration procedures. And possible sale or purchase of units.

Functions:

- Develop the guideline and stages for sectional title rehabilitation
- Establish a roll out plan

- Identify target buildings
- Develop tailored plan per buildings
- Negotiate with tenant bodies and landlords to develop agreed process of rehabilitation
- Monitor rehabilitation of existing structures and buildings as per agreed programmes
- Undertake any unit purchases required
- Appoint administrators
- Monitor administration
- Develop capacity of Bodies Corporate

The above three programmes are all linked to the resolution and management of bad buildings. They implicate by-law enforcement, resolution of revenues owed, legal mediation and negotiation, development of legal contracts, and on-going monitoring. A dedicated unit as described by the Problem Property By Laws and as outlined in the Bad Buildings Strategy should be resurrected within the CRUM office. This requires that capacity within Region F, Revenue departments and legal department be transferred into a dedicated unit that is modelled on the previous multidisciplinary law enforcement unit of Region F.

2.3 Establishment and management of a Subsidy for Rental Housing

Location: Housing Department and JDA

The design and ongoing management of City Subsidy for Rental Housing is a critical delivery programme. This will require ongoing calibration of the subsidy, the securing of budget as well ongoing monitoring of funded projects / units – both within the City (JOSHCO) as well as private sector partners.

Functions:

- Develop subsidy guidelines
- Prepare budget and secure funding
- Set up operational management systems
- Secure partnerships and allocate funding
- Ongoing monitoring and evaluation

2.4 Development and Management of an Integrated Management Information System for priority Inner City buildings

Location: Housing

This is a key project that requires dedicated capacity to rationalise a buildings database. Thereafter the database needs on-going updating and monitoring. It is a function that is best located at CRUM (Region F) as it requires on-the-ground as well as revenue and planning updates. It requires not only desktop importing of buildings data but critically requires inspection and physical assessment of building status. This must be coordinated with Region F.

Functions:

- System Specification & Approval
- Develop, QA and Integrate system

- Consolidate Existing Case Information
- System 'Go Live'
- Monitor, Review, Update

3 Strategic alignment and oversight

Location: Inner City Office

This strategy cannot exist in isolation from other Inner City programmes. It must be coordinated with overall planning and strategy for the Inner City and with particular plans as they are developed and implemented in various parts of the Inner City. As with all other programmes that are directed at Inner City interventions, the Inner City Office should oversee this programme.

Functions:

- Establish overall delivery targets in line with Inner City Roadmap
- Ensure alignment with Housing Department timelines and targets
- Monitor progress on housing delivery in concert with delivery of other infrastructure and services
- Establish necessary cross cutting dialogues
- Chair and manage the Inner City Housing Task Team
- Align strategic focus of Inner City Roadmap and any shifts with ICHIP

B Housing Delivery Programmes

1 Delivery of Subsidised Ownership Units

Location: Housing Department

The development of projects, sourcing of subsidy funding and implementation of medium density BNG projects under the national policy of subsidised units for ownership is a Housing Department function. The targeting of beneficiaries and the allocation of units for persons who are resident in the Inner City and require subsidised ownership accommodation will need to be coordinated with other programmes including SPRE and the programmes under Bad Buildings resolution.

This requires that the unit focused on subsidised ownership housing within Housing Department be active in task teams and committees focused on relocation of evictees and provision of alternative accommodation.

This task also requires the coordination of subsidies to first time homeowners in the Inner City.

Functions:

Medium density BNG

- Identify Greenfield land parcels
- Feasibility study of land parcels
- Apply for the reservation of project funding
- Planning and township establishment
- Appoint contractor
- Oversee implementation

First time homeowners

- Identify Greenfield land parcels

- Feasibility study of land parcels
- Secure land
- Apply for the reservation of project funding
- Identify and develop partnership agreement with developer
- Oversee implementation

Delivery of Temporary Emergency Accommodation

Two housing typologies exist in this programme: Temporary Residential Areas (TRAs) and Temporary Emergency Accommodation (TEAs)

TRA

Location: Housing Department

This programme involves the delivery of serviced sites and basic structures for the accommodation of evictees who have been directed to TRAs through the City's SPRE programme.

Functions:

- Identify suitable land
- Undertake pre-feasibility studies
- Acquire/lease land
- Undertake necessary spatial and land use planning and rights applications
- Implement development

TEA

Location: JOSHCO

This programme involves the delivery of units in buildings for temporary emergency accommodation for the accommodation of evictees while they are being allocated to or offered alternative accommodation within the City's framework of housing options. It is a high priority delivery programme that is directly linked with SPRE.

Functions

- Identify suitable and available buildings
- Conduct basic pre-feasibilities on pilot projects and to short list further suitable buildings
- Conduct full feasibility on pilots and further shortlisted properties
- Secure buildings for pilots and future refurbishment or conversion
- Package pilots and procure construction services
- Implement development of pilots
- Open pilots for occupation and manage facility
- Prioritise packaging and development of further buildings
- Coordinate with SPRE on ongoing basis
- Coordinate with rental housing options developed and facilitated by JOSHCO and other suppliers

2 Delivery of Subsidised rental accommodation

Location: JOSHCO

This programme includes the delivery of rooms with shared facilities, and rental apartment units within the subsidised rental programmes outlined in this implementation plan.

It also includes municipal social housing projects. The Housing Department is custodian of this programme. It will be responsible for sourcing funding and developing policy. While the delivery of City initiated social housing units will be directed through JOSHCO, Housing Department may motivate for other social housing institutions to participate in this programme where appropriate. The aim is to increase the number of units delivered by JOSHCO and also increase the participation of other institutions in the delivery of social housing.

For social housing then, the development of overall policy and funding models will be the responsibility of Housing Department while the development of detailed funding models, the establishment of delivery programmes, development of pipelines for delivery, unit allocation and on-going management of units must be located within JOSHCO.

The delivery of subsidised rental accommodation includes subsidised private rental. The delivery of this must be coordinated with municipal subsidised rental and beneficiary targeting and allocation across these units must be coordinated. Moreover similar subsidy mechanisms, namely operational subsidies are intended for these programmes. For this reason Housing Department should be the custodian of operational subsidies to be directed to private sector developments.

Social housing delivery:

Location: JDA (Development Facilitation)

Functions:

- Develop CoJ Social Housing Approach (not only Inner City focused)
- Finalise SH 'Smart Partnership'
- Define SH Inner City Focus Areas
- Secure Financing
- Target & Assemble
- Release land to SHIs
- Ongoing M&E

Municipal subsidised rental units / social housing

Location: JOSHCO

Functions:

- Obtain budget commitment
- Develop project pipeline
- Identify pilot projects
- Acquire and refurbish / convert or greenfield construction
- On-going management, maintenance and rent collection
- Develop and undertake monitoring and evaluation
- Refine programme

Private Sector Subsidised Rental Rooms

Location: JDA (Development Facilitation)

Functions:

- Institutionalise a private subsidised rental model in CoJ
- Obtain funding commitment
- Refine the criteria and develop basis for receiving and assessing proposals
- Pilot the programme
- Expand the project
- Ongoing M&E

3 Private Sector Delivery Enhancement

Location: JDA (Development Facilitation)

This programme involves the establishment of a fund to boost the lending programmes of established providers to small-scale landlords in Inner City Johannesburg. It also requires the allocation of buildings to approved small-scale landlords for development of housing units. The function straddles ICPS and bad building functions and finance roles. It needs to be coordinated as a delivery programme along with other rental delivery programmes.

Functions:

- Establish a fund
- Develop partnership with TUHF
- Identify buildings in concert with ICPS
- Develop parameters for approved small-scale landlords
- Develop building application and allocation procedures
- Allocate buildings within agreed contracts for upgrading and management.
- Monitor rehabilitation and redevelopment as well as on-going rental and building management.
- Develop capacity of small-scale landlords (this may be an outsourced function)

Inner City Densification

Location: Planning Department

This is a planning function that is targeted at increasing residential density within the Inner City in manageable ways and in concert with the provision of adequate engineering infrastructure and services. It is fundamentally a task of providing planning incentives and facilitation of building control. It is also a law enforcement function and as such requires coordination between Planning Department and Region F.

The programme focuses on the stimulation of regularisation and expansion of appropriate quality, affordable backyard rental housing, densification of low-density suburbs and small landlord development through the support for and stimulation of backyard rental development within the City of Johannesburg's town planning, regulatory and infrastructure investment framework.

This programme will require the CoJ's regulatory, policy and investment support, but will not require direct delivery of backyard units by the City or other public sector entities.

Functions:

- Develop Inner City Densification Policy
- Establish parameters for incentivising/regularising densification on private properties
- Develop parking and open space requirements and conditions for relaxation
- Undertake urban management inspections and enforcement to control exceptions
- Roll out infrastructure improvement
- Monitor uptake and built form impacts

Coordination

It is important that each custodian be conversant with the projects and issues of the other units and that project are coordinated. In particular the coordination of the demand for housing that will arise from problem properties, and from SPRE with the housing supply programmes that will be located with JOSHCO and with Housing Department must be ensured.

There are two points of coordination where each of the institutional custodians of the programmes as outlined above need to be represented. These are:

- The Problem Properties Task Team
- The Housing Task Team of the Inner City Roadmap

7.2 Communicating the ICHIP

The development of a robust housing delivery programme in the Inner City of Johannesburg, as envisaged in this implementation plan, requires the input and commitment of state, private and community organisations. The Inner City housing crisis cannot be 'fixed' by municipal government alone. Nor can any initiatives that are implemented by local government be sustained without buy-in of those people who use the housing that is developed. Much of the supply of the Inner City housing is led by the private sector. This partnership between public, private and community agents is the key driving force of successful housing development. The partnership itself needs to be reinforced and strengthened in order to grow the housing supply efforts that have already begun in the Inner City and to extend these into the new terrain that is mapped in this plan.

The importance of inviting input into planning processes and of securing buy-in for plans and raising awareness of the vision for the Inner City cannot be underplayed, as the success of these plans is dependent on the commitment and drive of all stakeholders, and also hinges on the recognition of individual and collective responsibility for the city.

Communication and interaction with the city's diverse range of stakeholders who impact planning, delivery, and the preservation and management of housing, must be ongoing, sustained, and inclusive. Its foundation must be a well-conceived and professionally-implemented communication programme that is tied directly to Inner City housing developments and projects, and that seeks to enhance understanding of public and private sector, civil society and communities' priorities, responsibilities and realities in the Inner City.

A platform for engagement and understanding of Inner City housing plans and priorities, through information dissemination, education and awareness-raising initiatives must be

established. The structures established under the Roadmap provide the basis for embedding strong structures for such engagement.

The overall aim of an effective Inner City Roadmap communications strategy is to strengthen the City's effectiveness by: raising understanding and awareness among key constituencies of critical Inner City housing priorities; facilitating multi-stakeholder engagement to promote active and responsible participation in Inner City housing development and communicating directly with residents and stakeholders to empower their decision making around their own housing options.

Workshopping the strategy

The present document is a report to the City that has been developed in consultation with officials. It needs to be workshopped with Inner City stakeholder groups. For this the participatory structures attached to the Inner City Roadmap should be used. But it is also important that civil society be properly engaged in the strategy. Therefore it is recommended that the City set up a number of workshops to communicate and receive input on the strategy. These could be organised in sub areas of the Inner City so that ward level attendance is possible. Specific stakeholder groups including housing support organisations and umbrella tenant or civic groupings should be targeted for input. In addition landlord groups and property owners must be included in workshops.

The report should be made available for perusal and comment and written comments invited from stakeholders.

Engagement with stakeholders on each programme

Participatory processes are necessary for each programme and a participatory process of engagement with stakeholders must be developed for each programme. These processes will be integral to the implementation of each programme and each project and will need to be designed as part of the detailed project planning. This should include information dissemination and tailored engagement at a precinct or neighbourhood or building level dependant on the project.

On-going engagement at Inner City Task Team level

On an on-going basis the Task Teams and working groups attached to the Inner City Roadmap will have access to updates on the progress of and any issues arising within the roll out of ICHIP. Housing Department must be required to report to these groups where there is stakeholder representation and to take inputs related to ICHIP at every meeting.

Education and awareness

The development of capacity at tenant level and in Bodies Corporate requires the design and implementation of a dedicated education programmes. This may be outsourced.

Similarly the capacitation of small-scale landlords requires tailored education programme and it too might be outsourced but must be overseen by housing department.

The roll out of particular programmes at precinct level may require information campaigns. Interest groups will need to be defined at geographic levels for those campaigns and education initiatives that are localised.

Transparency of Information and training of officials

Transparency of information in the housing sector is important to landlords, tenants and housing groups in the Inner City. An information desk needs to be established. This may be an expansion of the existing allocations and customer services within housing department. All officials dealing with direct tenant or landlord interaction need to be trained on the details of ICHIP and of each of the programmes as they are developed.

In addition the City should capacitate the Rental Tribunal office as an additional port for City level housing information.

A media strategy is also required. This includes the creation of web platform for Inner City information and developing key messages and briefing documents articulating Inner City housing achievements. This will require actively building relationships with key media, and seeking opportunities as platforms for communication on an ongoing basis.

The Housing information systems should be accessible at the Rental Tribunal office as well as at the Housing Department Helpdesk and at the People's Centre attached to the Metro Centre.