

Introduction

Leveraging city land to
re-imagine integration





NASHO is a federation of non-profit Social Housing Institutions in South Africa. Its purpose is to develop a strong and sustainable social housing sector providing well located quality rental accommodation to low and moderate income households contributing to greater socio-economic integration of South African cities.

ROOFTOPS CANADA, the international programme of the Canadian social and co-op housing sector is executing agent for the 2016-20 Equal Spaces project, co-funded with the Government of Canada, to revitalize inner-city communities with social housing.

DAG (The Development Action Group) is a non-governmental in 1986 with a focus on South African urban development and housing issues. DAG is a leading NGO in the field of urban development in South Africa and has been at the forefront of housing delivery and policy development within the urban development context for over 33 years. DAG's strategic objective is to demonstrate how working in partnership with citizens and other groups who share a pro-poor agenda can lead to creative and sustainable solutions that redress social, economic and spatial inequalities.

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“Recounting one South African city’s effort to hack the formulas that calculate property markets against human worth, this story about leveraging desirable city land for social housing offers an inroad to shifting the dynamics around who gets to live where in Cape Town”

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While media from New York to New Delhi are increasingly focussing on the problems of urbanization generally and the interconnected affordable housing and inequality crises specifically, on-the-ground action to build more equitable and integrated cities remains sorely wanting. The three papers in this folder offer a collective rebuttal to that absence. Recounting one South African city’s effort to hack the formulas that calculate property markets against human worth, this story about leveraging desirable city land for social housing offers an inroad to shifting the dynamics around who gets to live where in Cape Town, one of the world’s most unequal places.

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Above:

- 1 Woodstock from the Warwick Street foot bridge
- 2 A municipal worker sweeps between Wex 1 and the Woodstock Train Station
- 3 An older Woodstock home with stone foundation on Queens Road

Intended to provide well-located, affordable rental accommodation for low- to mid-income households in South Africa, social housing was one of the tools created by the South African government to undo the vast spatial inequalities left in the wake of apartheid. Despite social housing legislation’s explicit intent to address the larger “structural, economic, social and spatial dysfunctionalities¹” inherited from apartheid spatial planning, to date not a single social housing project has been built in a high-value inner-city area. In other words, social housing’s enormous potential to help working-class people exit under-resourced urban peripheries and inhabit desirable and opportunity-rich city centres remains untapped.

But the City of Cape Town is on the brink of shattering this disappointing status quo. In late 2017, nearly a decade of concerted and collaborative effort from a group of likeminded partners yielded South Africa's first social and affordable housing programme slated for development on prime city land. Using a "precinct planning approach", the city made 11 city-owned sites available for social housing in the desirable Woodstock and adjacent Salt River neighbourhoods. This landmark social housing programme's holistic precinct approach offers beneficiaries not only housing in a place where property market prices would otherwise exclude them, but also improves access to the centralized resources and amenities – jobs, transport, education, and healthcare – that enable people to take control of their own development.

While primarily a story of innovation, the Woodstock-Salt River social housing programme is also one of preservation. One of Cape Town's oldest historic neighbourhoods, Woodstock-Salt River was one of only two areas that escaped the forced removals of coloured and black families from central Cape Town under apartheid, making it an exceedingly rare thing: an integrated and centrally located South African city neighbourhood. Having survived apartheid, Woodstock-Salt River's racial and socio-economic diversity now ironically confronts its undoing in the form of the gentrification that has followed on the heels of a series of ambitious urban regeneration efforts. With long-time residents being evicted at pace, critics asked how affordable housing could be saved – and along with it, an entire community and culture – from seemingly unassailable market forces.

As this series explains, social housing could play a major role in preserving Woodstock-Salt River's diversity and community, while building a new kind of integrated urban space and providing a model for social housing development in well-located parts of South Africa's metros. With the national discourse on housing finally having moved past the mirage of "free houses," the pressure is on to find practical ways to massively increase the scale and pace of quality, well-developed, affordable housing implementation in desirable urban locations.

The 2017 inflationary adjustment of the Restructuring Capital Grant (RCG)² and income bands after years of stasis has meanwhile unleashed the potential for social housing to finally play its role in turning South African metros into places where people from different backgrounds and socio-economic categories might live together.

What is now urgently needed is a practical model that engages with and addresses the complexity and details – particularly around neighbourhood-community integration and financial viability – that have stymied social housing's aspirations in the past. Intended to offer municipalities and their partners a starting point for action, the three papers in this folder collectively describe the process, mechanisms, tools, and lessons developed to make affordable social housing possible in Cape Town's prime inner-city market. Transforming South Africa's ambitious human settlements policies into practical action, this path begins to clear the way to increased understanding around how to build sustainable, socio-economically integrated, inner-city neighbourhoods.

The Woodstock-Salt River Social Housing Programme can be divided into three foundational elements, each of which is the subject of a paper in this folder

The Human Element

The importance of human dynamics in the success or failure of a programme of this scale and complexity cannot be underestimated. Rallying around the question of how to protect and grow affordable housing under threat in Woodstock-Salt River, the programme's founding collaborators prioritized working towards a common vision with a spirit of openness that set the tone going forward. Recognizing early on that it could not create a plan for a neighbourhood if it did not understand the existing "players, power, and dynamics", the team made neighbourhood profiling a priority. With integrated neighbourhoods being one of the ultimate goals of the Woodstock-Salt River social housing programme, the existing community's meaningful involvement in the precinct planning

process and future social housing development emerged as a clear non-negotiable. But breaking the mould of “tick box” public participation represents its own challenge. To that end, it is hoped that this programme’s continued efforts will also contribute to developing a model for truly inclusive community participation in the messy and contested space of urban governance. The programme’s work on all of these relationships and dynamics is the subject of paper titled:

Re-imagining Woodstock and Salt River: A community-centred approach to neighbourhood regeneration

The Spatial Element

To contain and coordinate the numerous moving pieces involved in this programme, a geographic area of action or “precinct” in which development activities can be focussed and coordinated must be defined. Using a “precinct planning approach” as compass, activities within a precinct can be guided over a timeframe and against specific urban and socio-economic development objectives – in this case, restructuring and integration. A defined geographic location also allows economies of scale to be leveraged, and concrete connections between amenities, services, and people to be made. In this way, precinct planning helps to translate the admirable if often abstract principles found in higher level planning policy – goals like “inclusive cities” – into tangible projects that can be implemented holistically at the local level. How social housing can specifically be used as a key national investment catalyst to unpack and work through the nitty gritty of precinct planning, and the advantages of the precinct planning approach in terms of measuring the potential restructuring outcomes of social housing, are detailed in paper titled:

Dream or Do: A precinct approach to economic integration in Woodstock-Salt River, Cape Town

The Practical Element

Although social housing itself is not new, its development in well-located parts of South African metros is uncharted territory. The frameworks, incentives, mechanisms, and tools developed to guide everything from institutional partnerships to the nuts and bolts of financial feasibility in a highly competitive property market are the subject of the paper:

A pathway to implementation: Delivery mechanisms to support affordable rental housing-driven urban regeneration in Woodstock-Salt River

More technical in tone and scope, this paper explains the delivery mechanisms and supporting tools that were designed to assist the City of Cape Town to partner with social housing institutions (SHIs) and the private sector to make affordable rental and social housing development projects within the Woodstock-Salt River precinct a reality. Included in this paper are descriptions of:

- 1 **Smart partnerships:** the agreements that frame the terms by which access to land and resources to implement projects will be granted and managed;
- 2 **Municipal land/building pipeline:** guidelines to identify suitable property assets, assess their best use to achieve socio-economic objectives, and package suitable land for effective release and development;
- 3 **Land release mechanisms:** the basis of ensuring a fair, transparent, and practical land disposal process, this mechanism secures the socio-economic development objectives for the land in perpetuity, while also protecting both the public interest and municipal investment;

4 **A mixed-market development mechanism:** designed to enable private sector partners to contribute delivery skills to this process and help ensure market product success, this mechanism is key to generating the profits that can financially cross-subsidise the affordable housing components of a development in tower-buildings, and support the higher unit densities mandated by national policy and required by cities.

5 **Transitional housing:** a precinct-level mechanism that responds to the needs of very poor households currently living within a precinct where affordable housing development will occur, this mechanism is intended to prevent homelessness and ensure inclusivity.

This unprecedented programme holds the possibility of “proof of concept at every scale”

While all three papers offer insight into specific aspects of the programme – the compelling inclusivity goals of the community-centred approach, the holistic thinking of the precinct concept, and the impressive technical savvy and bureaucratic groundwork evidenced in the mechanisms – they all share an underlying ethos that speaks to a set of new urban paradigms. Specifically, the need to rethink how land is valued and utilized, and to embrace more inclusive and ground-up forms of governance.

If South African municipalities are to become diverse and integrated centres of dynamism, they must strategically rethink the philosophy guiding their use of publicly owned land. They need to understand that their land assets are potential levers to achieve tangible urban economic and

social integration and development. In addition, a broader segment of society must be engaged in the forums where decisions are made about how to implement the urban vision. To that end, a long-term commitment to the hard work of human collaboration must be made, and the ongoing process of building and supporting more inclusive forms of urban governance must be seen as essential to the work of integration and restructuring.

The inspiring and dogged example set by the numerous individuals who have made possible the advances detailed in the papers you are about to read – in particular, those from the National Association of Social Housing Organisations (NASHO), the Development Action Group (DAG), Rooftops Canada Equal Spaces Programme, and the City of Cape Town – is a great place to start.

Where the Woodstock-Salt River social housing programme will end, however, and what it still has to teach us about how the social housing sector could contribute to both the economic and social integration of South African cities, remains very much to be seen. One thing that is certain, is that this unprecedented programme holds the possibility of “proof of concept at every scale”. In the words of one of the original city planners involved: “That’s one of the things we are desperately short of. We’ve got a lot of theory, we’ve got quite a bit of policy, and we’ve got a whole bunch of grants, but what we don’t have is a lot of proof of concept, especially where the public sector is involved.” Achieving that proof of concept requires determination and a willingness to act: to muddle through, take risks, weather political storms, and allow mistakes to be made, always keeping an eye on that distant shore: a city everyone can feel proud to live in. We invite you to join in.

End Notes

- 1 <http://www.shra.org.za/investment/about>
- 2 The social housing RCG is intended to contribute towards spatial, social and economic restructuring of South African cities. The grant represents a significant contribution to the capital cost of a social housing project (SOURCE: NASHO). It has been re-named, now called the Consolidated Capital Grant (CCG).



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Right:

- 1 A billboard advertising new apartments that will be built on Albert Road
- 2 A tuck shop outside Wex 1
- 3 Gympie Street scene
- 4 Women enter St Agnes Catholic Church before the start of the French service



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