Social Housing as a Driver of Urban Regeneration
- Potential and Constraints

Report on Social Housing and Urban Regeneration Workshops 2012
### GLOSSARY - ABBREVIATIONS and ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AFD</td>
<td>Agence Française de Développement</td>
</tr>
<tr>
<td>ARUP</td>
<td>ARUP (Pty)</td>
</tr>
<tr>
<td>CBD</td>
<td>Central Business District</td>
</tr>
<tr>
<td>CoJ</td>
<td>City of Johannesburg</td>
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<tr>
<td>CRU</td>
<td>Community Residential Unit</td>
</tr>
<tr>
<td>ESP</td>
<td>Expanded Social Package</td>
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<tr>
<td>FLISP</td>
<td>Financed Linked Individual Subsidies</td>
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<tr>
<td>GPF</td>
<td>Gauteng Partnership Fund</td>
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<tr>
<td>IHS</td>
<td>International Housing Solutions</td>
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<tr>
<td>IMU</td>
<td>Inclusive Mixed Use (CoJ Programme)</td>
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<tr>
<td>JHC</td>
<td>Johannesburg Housing Company</td>
</tr>
<tr>
<td>JOSHCO</td>
<td>Johannesburg Social Housing Company</td>
</tr>
<tr>
<td>LAA</td>
<td>Land Availability Agreement</td>
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<tr>
<td>MHA</td>
<td>Madulammoho Housing Association</td>
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<tr>
<td>NASHO</td>
<td>National Association of Social Housing Organisations</td>
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<tr>
<td>NDHS</td>
<td>National Department of Human Settlements</td>
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<tr>
<td>NHFC</td>
<td>National Housing Finance Corporation</td>
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<tr>
<td>RDP</td>
<td>Reconstruction and Development Programme</td>
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<tr>
<td>RSL</td>
<td>Registered Social Landlord</td>
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<tr>
<td>RZ</td>
<td>Restructuring Zone</td>
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<tr>
<td>SALGA</td>
<td>South African Local Government Association</td>
</tr>
<tr>
<td>SDP</td>
<td>Site Development Programme</td>
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<tr>
<td>SH</td>
<td>Social Housing</td>
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<tr>
<td>SHIs</td>
<td>Social Housing Institutions</td>
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<td>SHRA</td>
<td>Social Housing Regulatory Authority</td>
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<tr>
<td>SHIP</td>
<td>Social Housing Investment Programme</td>
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<tr>
<td>TCHC</td>
<td>Toronto Community Housing Company</td>
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<tr>
<td>TRA</td>
<td>Transitional Re-settlement Area</td>
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<tr>
<td>UDZ</td>
<td>Urban Development Zone</td>
</tr>
<tr>
<td>USDG</td>
<td>Urban Settlements Development Grant</td>
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<tr>
<td>YCH</td>
<td>Yeast City Housing</td>
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A  INTRODUCTION AND SECTOR CAPACITY OVERVIEW

1  INTRODUCTION AND BACKGROUND

In October 2011, NASHO and the AFD organised a ‘Financing Social Housing - Investing in Urban Regeneration’ workshop. The intent of this workshop was to bring together key stakeholders in South Africa with international experts to identify key areas for further work on Social Housing and Urban Regeneration in South Africa. The results of the workshop informed the Social Housing and Urban Regeneration programme that NASHO pursued in 2012.

This is a report of the metro and national workshops that NASHO held and this has given further direction to practically addressing critical aspects of the conjunction between the two, and in doing so has further defined the work that NASHO will pursue on these issues.

2  PURPOSES AND FORM OF NASHO’S SOCIAL HOUSING AND URBAN REGENERATION PROGRAMME 2013

The NASHO Social Housing and Urban Regeneration project in 2012 intended to highlight the importance of a social housing urban regeneration linkage and to strengthen the potential for social housing to help drive urban regeneration in specific projects. The project involved the following elements:

• **Background research** on the link between delivered social housing and urban regeneration in South Africa and also with the policy strategy frameworks for social housing in South Africa.

• **Local Structuring Workshops and Symposiums** - Intended to kick start local social housing project initiatives closely linked with urban regeneration as well as local symposia to highlight the role and linkages between the two, to a broader group of stakeholders.

• **National Workshop and Symposium** - To bring together key players from each local workshop to discuss the implications of their project to existing government policy and programmes. To use this to influence the existing policy framework for social housing to impact on urban regeneration. Through the national symposium to highlight to a broader range of interested stakeholders the potential interaction between the two and some of the issues.

The diagram on page 5 illustrates the overall approach.
**DEFINE TERMS AND APPROACH**

**Research**
- Assessment of RCG Projects in Urban Regeneration Paper
- Urban Regeneration Policy and Programme Framework in SA Paper
- Identifying and Documenting Sites for Intervention.

**Mobilising**
- SHIFT
- Internat. Support
- SHRA
- HDA
- SHI
- Municipalities

**Local Project Workshops**
- **METRO WORKSHOP 1**
  - CAPE TOWN
  - Tafelberg School Site Greenpoint
- **METRO WORKSHOP 2**
  - TSWANE
  - Temblihle Site
- **METRO WORKSHOP 3**
  - JOHANNESBURG
  - IMU Central Station Precinct

**National Integration**
- National Workshop
  - Present the findings of the projects and integrate into national perspective.

**Linkages**
- National Policy
- NASHO Position Paper
- SHIs Implement Projects
- SHRA Review RZ Policy
2.1 INTENT

2.1.1 Increase in Scale of Social Housing Delivery

To define more clearly the extent to which the Restructuring Capital Grant (RCG) investment in social housing has targeted urban regeneration areas and the implications of the present approach to the allocation of the subsidy.

2.1.2 Workshops

At a metro level to bring together key implementing stakeholders around a viable project to:

• Jointly define the scope and nature of a social housing driven urban regeneration project
• Identify the resources required and available to forward the delivery of the project
• Identify the necessary institutional / organisational shape of the projects and the nature of relationships between stakeholders
• Define a practical way forward for the project
• Identify issues that require addressing outside the ‘local project’ group to assist the delivery of a successful project
• Plan the way forward for the project

At a national workshop to use the results of the research to:

• Identify progress in the linkage between social housing and urban regeneration in South Africa
• Identify key national and provincial issues that require tackling to increase the contribution of social housing to urban regeneration

2.1.3 Symposia

Both the national and the local symposia were planned to bring together a wider stakeholder group in the area to:

• learn more of the links and potential between social housing and urban regeneration
• reflect on what has been done to date both locally and in other parts of the country
• hear about examples of good practice from other countries
• identify further local opportunities and potential partnerships
• help define further key issues that require discussing at the national workshop

2.2 THE RESEARCH PROJECT

This was carried out with the assistance of an intern, Alice Fauvel, studying at the University of Sorbonne in Paris, who carried out a five month internship with NASHO. The research was presented at the national workshop and is now published as a separate publication together with HDA, ‘Reviving Our Inner Cities: Social Housing and Urban Regeneration in South Africa’ (available for download on the NASHO website).
2.3 METRO WORKSHOPS AND SYMPOSIUMS

Three areas were chosen from a shortlist of seven projects that SHIs and or municipalities had identified as key, with potential strong links between social housing and urban regeneration. The three metros chosen and the sites for these workshops were:

City of Cape Town - Tafelberg School Site in Greenpoint: one of the sites that the Western Cape Department of Transport and Public Works was to put out on calls for proposals as part of its City of Cape Town Urban Regeneration Strategy.

City of Tshwane - The Thembelihle site that Tshwane Metro had allocated to Yeast City Housing (YCH) for the development of social housing and which was part of a larger precinct that had potential for a housing driven approach to urban regeneration.

City of Johannesburg - IMU Programme and the Central Station Precinct: The City of Johannesburg, Human Settlements Department housing driven precinct development programme, the IMU, was the focus with particular emphasis on the precinct around the Johannesburg Central Station.

A symposium was held on the first nights of the workshops in Cape Town and Tshwane while the Johannesburg symposium was linked to the national workshop also held in Johannesburg.

2.4 ORGANISING OF THE WORKSHOPS

The following organisations were involved in the organising of the content and practicalities of the workshops.

National - NASHO with the assistance of HDA
City of Cape Town - NASHO (WC), Communicare, the City of Cape Town, Dept. of Human Settlements and the Cape Town Partnership
City of Tshwane - Yeast City Housing, NASHO and the Gauteng Partnership Fund (GPF)
City of Johannesburg - City of Johannesburg, Dept. of Human Settlements and Community Services, NASHO, SHIs (JHC and MHA).

2.5 FINANCING OF THE WORKSHOPS AND SYMPOSIUM

The programme was financed through a range of different funders to whom NASHO expresses its thanks:

Cape Town Workshop - Communicare and NASHO
Cape Town Symposium - Cape Town Partnership
Tshwane Workshop and Symposium - Gauteng Partnership Fund (GPF)
Johannesburg Workshop - City of Johannesburg, Dept. of Human Settlements
National Workshop and Symposium - Housing Development Agency
2.6 INTERNATIONAL PARTICIPANTS

The following international participants provided practical inputs into the workshops including specifically tailored inputs from their own countries. NASHO thanks them for their very constructive contributions and their organisations for sponsoring them.

<table>
<thead>
<tr>
<th>Expert</th>
<th>Country</th>
<th>Organisation</th>
<th>Workshops Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Guslits</td>
<td>Canada</td>
<td>For Rooftops</td>
<td>National, Cape Town and Johannesburg</td>
</tr>
<tr>
<td>Marie Defay</td>
<td>France</td>
<td>Municipality of PAU</td>
<td>National and Johannesburg</td>
</tr>
<tr>
<td>Sjaak Kruis</td>
<td>The Netherlands</td>
<td>Woonconcept</td>
<td>Cape Town</td>
</tr>
</tbody>
</table>

NASHO also had the assistance of Karine LeBlanc, an intern from Rooftops, who assisted with the recording and the write-ups of the workshops.

3 REPORT STRUCTURE

This report outlines a summary of the workshops:

Section B: National
Section C: Cape Town
Section D: Tshwane
Section E: Johannesburg
Appendices
THE NATIONAL WORKSHOP
‘Reviving Our Inner Cities: Social Housing & Urban Regeneration in South Africa’ - Johannesburg 18th - 19th October 2012

PURPOSE OF THE WORKSHOP

South Africa is home to vibrant world-class cities. But it is also home to a range of informal settlements and decaying neighbourhoods. Often dubbed ‘no-go’ zones, these inner city areas are widely seen as breeding grounds for poverty and crime. Sadly, the historic settlement challenges around distorted spatial land planning and lack of adequate and well-located housing developments to enhance racial integration, affordability and social cohesion, still remain visible in most SA cities.

But what if rather than focusing on inner city problems, we focussed on inner city potential? The National Association of Social Housing Organisations (NASHO) did just that by hosting a two day workshop, ‘Reviving Our Inner Cities: Social Housing & Urban Regeneration in South Africa’.

The workshop served as a forum to review three NASHO-led case studies. Following the progress of three new precinct projects being developed in Johannesburg, Cape Town and Pretoria, the project reports aimed to demonstrate the many ways that social housing can contribute to urban regeneration and unlock the potential of inner cities. Moreover, the studies help build a case for integrating social housing as part of urban regeneration strategies.

Linking these to the shared international experience and the research on the location of spatial and programme location of RCG investment the workshop considered implications to stronger structuring of the linkage between Social Housing and Urban Regeneration in South Africa.

PARTICIPANTS

Participants included representatives from the three local workshops, national government officials, local government officials, representatives from NGOs, university researchers and international experts.

PROGRAMME

This included reports on the RCG research, feedback from the metro workshops, two international perspectives and group work. (See Appendix B.1)
7 CONTENT

7.1 RCG SPENDING AND IMPLICATIONS ON URBAN REGENERATION EFFORTS

Alice Fauvel, NASHO Intern from La Sorbonne, Paris

This was a presentation of the research undertaken by the speaker from NASHO based on the research which is published in full in the NASHO Publication ‘Reviving Our Inner Cities: Social Housing and Urban Regeneration in South Africa’. The presentation is in Appendix B.2.

Specifically, the research sought to better understand where RCG allocations have been invested during the first six years of the programme as well as the extent to which these investments have been linked to urban regeneration efforts and/or other government investments meant to leverage social housing’s impact. Further, the research examined the policy frameworks, or lack thereof, meant to support urban regeneration in South Africa and the role and/or value that social housing is attributed within these frameworks.

7.1.1 Approach to the Research

Data on RCG allocations (2007 - March 2012) to social housing institutions was collected through the list provided by the SHRA and a questionnaire sent to NASHO members.

The table below lists the RCG allocations from 2007 to March 2012. It also shows how much grant money was allocated to SHIs versus the private sector.

<table>
<thead>
<tr>
<th>YEAR/PROGRAMME</th>
<th>RCG AMOUNT R-m</th>
<th>% OF TOTAL RCG</th>
<th>TOTAL NO. OF UNITS</th>
<th>% OF TOTAL UNITS</th>
<th>AVG RCG PER UNIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007 - 2008</td>
<td>102 385 600</td>
<td>9%</td>
<td>1 698</td>
<td>17%</td>
<td>60 298</td>
</tr>
<tr>
<td>ISHP 1</td>
<td>102 385 600</td>
<td>9%</td>
<td>1 698</td>
<td>17%</td>
<td>60 298</td>
</tr>
<tr>
<td>2008 - 2009</td>
<td>234 900 000</td>
<td>20%</td>
<td>1 893</td>
<td>18%</td>
<td>124 089</td>
</tr>
<tr>
<td>ISHP 2</td>
<td>234 900 000</td>
<td>20%</td>
<td>1 893</td>
<td>18%</td>
<td>124 089</td>
</tr>
<tr>
<td>2009 - 2010</td>
<td>261 536 160</td>
<td>22%</td>
<td>2 011</td>
<td>20%</td>
<td>130 053</td>
</tr>
<tr>
<td>ISHP 3</td>
<td>261 536 160</td>
<td>22%</td>
<td>2 011</td>
<td>20%</td>
<td>130 053</td>
</tr>
<tr>
<td>2010 - 2011</td>
<td>192 433 765</td>
<td>16%</td>
<td>1 473</td>
<td>14%</td>
<td>130 641</td>
</tr>
<tr>
<td>SHIP 1</td>
<td>192 433 765</td>
<td>16%</td>
<td>1 473</td>
<td>14%</td>
<td>130 641</td>
</tr>
<tr>
<td>2011 - 2012</td>
<td>412 288 970</td>
<td>34%</td>
<td>3 184</td>
<td>31%</td>
<td>129 488</td>
</tr>
<tr>
<td>SHIP 2a</td>
<td>340 465 280</td>
<td>28%</td>
<td>2 640</td>
<td>26%</td>
<td>128 964</td>
</tr>
<tr>
<td>SHIP 2b</td>
<td>71 823 690</td>
<td>6%</td>
<td>544</td>
<td>5%</td>
<td>132 029</td>
</tr>
<tr>
<td>TOTAL SHI</td>
<td>1 203 544 495</td>
<td>100%</td>
<td>10 259</td>
<td>100%</td>
<td>117 316</td>
</tr>
<tr>
<td>TOTAL PRIVATE SECTOR</td>
<td>70 600 000</td>
<td>543</td>
<td></td>
<td>130 018</td>
<td></td>
</tr>
<tr>
<td>TOTAL SHI + PRIVATE</td>
<td>1 274 144 495</td>
<td>10 802</td>
<td></td>
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</tbody>
</table>
As the table (page 10) shows, there has been a very large increase in RCG expenditure in 2011/2012 - a trend that shows no signs of slowing according to the Medium Term Expenditure Framework projection.

This trend can be in part explained by the establishment of the Social Housing Regulatory Authority (SHRA) and the Social Housing Investment Programme. Another part of the answer lies in the growing critique of RDP housing and increased government interest in better located affordable housing. The quality of housing stock and management has also increased over the years and generated confidence in the social housing sector. Moreover, neither the Inner City Charter (CoJ) or Central City Development Strategy (CT) delivered adequate results.

7.1.2 RCG Allocation per Province

Since 2007, three provinces received 75% of the total RCG spend. KwaZulu Natal received the highest RCG allocation (30%). The Eastern Cape and Gauteng have received almost the same amount (23% and 22% respectively).

Conversely, Mpumalanga, Northern Cape, North West and Limpopo have received minimal or no RCG allocations.

Factors that impact RCG allocation include the number of SHIs in the province, SHI capacity, political will as well as land and building availability and affordability. The absence of metropolitan municipalities could also explain why some provinces receive minimal allocations.

However, RCG allocation variation is even greater within provinces. Johannesburg received 91% of the total RCG allocated in Gauteng. The rest (9%) was allocated to Tshwane - a very small allocation relative to the municipality’s size. Ekurhuleni, the other metropolitan municipality in Gauteng, didn’t receive RCG even though it includes one RZ more than Tshwane.

7.1.3 RCG Allocation per City

The distribution of the RCG also varies greatly between cities. eThekwini, the municipality with the most RZ’s (18) has received 28% of the total RCG allocation. Johannesburg and Buffalo City have respectively received 20% and 17% of the total allocation, which is substantially more than Cape Town that while being the second largest South African city in terms of population received 13%.

The same factors that impact RCG allocation across provinces apply when it comes to explaining allocation differences between cities. In particular, the lack of a coherent municipal response and the difficulty of obtaining land and buildings are stumbling blocks.

7.1.4 RCG Allocation per SHI

The largest RCG allocation - accounting for 19% of the total allocation - was received by a single SHI which committed the funds to projects in three cities, located in three provinces during the grant’s first six years of existence.

The three SHIs that were fully accredited by the SHRA at the time of the research received a total of 10% of the RCG allocated - the lowest percentage. One of these however, did not use any RCG during the period studied. Another five pre-accredited SHIs each received between 10% and 14% of the RCG allocated.

Some suggest that more information is needed regarding SHI dependence on the RCG. It could be hypothesized that once SHIs mature, they no longer rely on that kind of tool.
However, as it stands, RCG is the main source of financing for most SHIs. It contributes an average of 40% of the total social housing financing. RCG funding can draw in an additional 35% of the total funding in the form of private loan finance. To date, no other government financed housing programme has achieved this.

According to NASHO estimates, nearly R3 billion has been invested overall in SHIs. The R1.8 billion invested by government (RCG + institutional subsidy) has leveraged another R1 billion in private sector financing (loan + equity). Presently, there is a low level of equity investment in the sector given that it, and the SHIs, are still young. Over time however, as the sector continues to develop and investor confidence increases, the equity and loan portion could grow.

However, this analysis neglects the economic impact social housing projects have on surrounding areas in terms of job creation and stimulation of new developments. In this sense, social housing is a veritable asset that requires minimal investment from municipalities.

### 7.1.5 RCG Allocation per Spatial Category

The research also examined RCG allocations from a spatial perspective. The spatial categories retained for this study are:

- **Central Business Districts (CBDs)**
- **Suburbs - Inner (Share a border with the CBD)**
- **Suburbs - Outer (Don't share a border with the CBDs but can be connected to transport corridors. Often includes green field developments.)**
- **Greyzones (Former apartheid areas in between townships and cities. Also known as buffer zones, these areas could be good locations for social housing projects that could create links to parts of the city.)**
- **Townships**

Most of the RCG - 49% - was allocated to projects located in outer suburbs. The trend also appears to be growing with more and more allocations being awarded to projects in outer suburbs and greyzones. This can be mostly explained by land availability. Not only is it easier to find land at the right cost in the outer suburbs, but government land located in the CBDs and inner suburbs is rarely released under the right conditions. In addition, there are more private developers in outer suburbs with underdeveloped land waiting for an opportunity. One workshop participant also mentioned that what mostly takes place in the inner city are renovations in spaces that don’t meet the 30m² criteria required to receive the RCG. And developing new buildings in the inner city is an extremely complex endeavour given the subsidy quantum.

However, several small scale projects located in the CBDs did receive RCG allocations. The average size of land in the CBD is 0.7 hectares (ha) resulting in much higher densities compared to 3 ha in the inner suburbs and 6.2 ha in the outer suburbs. Of the 34 RCG projects, 12 are located in the CBDs.

Links to broader government-led urban regeneration initiatives are very limited. For instance, only eight projects are located in UDZs. RCG criteria also favour simpler ad hoc projects in less well located areas and doesn’t enquire about links to urban regeneration or other government driven programmes.
7.1.6 Recommendations and Way Forward

Urban regeneration is largely understood as a generic concept without strong supporting policy. Indeed, the research uncovers the absence of a national urban regeneration framework as well as the need for greater coordination of resources and formal relationships between SHIs, private developers and all levels of government to maximise the impact of social housing and regeneration efforts.

Stronger links between social housing investment and other government programmes should also be sought. Municipalities and SHIs should create forums to discuss and align their urban regeneration initiatives, avoiding duplication. Such forums should promote the development of mechanisms for the programmatic use of RCG investment over a number of years within municipal ‘precinct’ development programmes where municipalities would make available to SHIs land and/or building assets.

Further research should be conducted on the impact of social housing on outer suburbs and greyzones. In particular, research should focus on the extent to which projects in greyzones support the development of viable mixed income and mixed use townships. It should also look at the links to transport nodes.

Lastly, policy reviews should be conducted. RZ policy and its implementation needs to be reviewed to assess whether it is properly helping to target RCG investment in areas that could benefit most. The RCG application process should also be reviewed to better target RCG investment and incentivise links with other government investments in the city.

7.2 QUESTIONS FOR FUTURE RESEARCH

• Where do people want to live?

A key question that requires further investigation is ‘Where do people want to live?’ The assumption is that people want to live in cities, close to where they work to save on commuting costs. However, evidence supporting this assumption remains to be collected. In fact, half of Madulammoho Housing Association (SHI located in Hillbrow, Johannesburg) tenants don’t work in the inner city, but are rather employed as domestics in the outer city. Further research is needed to identify where job opportunities lie, where tenants work, the cost and length of commute and - most importantly - how these factors weigh on housing decisions.

• How are spatial categories defined?

While the Spatial Planning and Land Use Management Bill makes reference to the spatial development framework, some workshop participants expressed concern over the narrow scope of spatial categories which center on the city level. They called for a means to address at once a larger range of settlement types as well as for more specific definitions of categories given that the meaning of terms like ‘greyzone’ and ‘inner city’ is contested. Of note is that SHIFT has identified nine different settlement types that could be used as a guide.

Given that SHIs tend to work in similar localities (e.g. the many SHIs operating in Hillbrow), how they intervene and interact with the city and each other is another topic that needs further study.

• How can the RZ tool be improved?

Generally, RZs are not a successful instrument. RZs need to be reviewed both in terms of how these areas were first identified and what adjustments need to be made to make them effective. One factor to keep in mind is that there are many anomalies in South African cities and that the method through which RZs are identified must be flexible.
• *How can government investment be leveraged?*

RCG is allocated on a project by project basis. However, one of the dangers in doing that is investing money in areas that will have minimal impact on the rest of the city. Instead, research should be conducted to find means of leveraging the RCG through secondary investment. This also requires better tools to measure the impact of the RCG on a city and identify the associated conditions and nuances that lead to a specific outcome.

There is also a need for greater understanding of who applies for the RCG, who is approved, who is rejected and why.

### 7.3 **FORGING ALLIANCES BETWEEN PUBLIC, PRIVATE AND COMMUNITY ACTORS**

*Presentation summary by Malcolm McCarthy, Presentation by Ahmedi Vawda*

The evening presentations highlighted the importance of changing the housing market to release the energy of the communities themselves to influence how the market works. However, there are presently so few mechanisms in the housing context that allow for greater engagement with various communities. As a result, there are very few examples in South Africa where the potential of land assets and subsidy money was coupled with mobilising the people who actually reside in the project areas. This is partly due to the absence of a national urban regeneration framework.

The eKhaya project - an urban and social regeneration initiative in Hillbrow, Johannesburg - is not just about assets but also about community involvement so that residents feel ownership over their neighbourhood. Yet, it was remarked that the success of eKhaya rests on the fact that it didn’t wait for the municipality to organise itself, but rather garnered support from private property owners who wanted to secure their investment.

It remains however, that forging alliances between municipal officials of different departments and political forums, while a complicated process, must be one that is explored further.
7.4 LESSONS FROM ALEXANDRA PARK PROJECT TORONTO, CANADA
Presentation by Mark Guslits

Once the revitalisation of Regent Park was underway, Toronto Community Housing Company (TCHC) started to look at other parts of the portfolio and identified several nearby clusters that if uplifted could be of greater benefit to residents.

Among these clusters was Alexandra Park, a centrally located two hectare development near popular Kensington Market. Much like Regent Park, Alexandra Park was a community of homes built in the 1930s. By the 1950s, the low-income neighbourhood was in a bad state of repair and the decision was taken to transform the area into a new community of affordable housing, primarily directed at families.

7.4.1 Proposed Plan

TCHC responded to a city issued request for proposals for the redevelopment of Alexandra Park.

The primary objective of the redevelopment exercise was to upgrade the affordable housing units while ensuring that their numbers not decrease. In fact, to help increase the number of affordable units, the project would introduce affordable ownership units in addition to subsidised rentals.

Yet, when redevelopment is planned on city owned land, the intention must be about more than getting people housed. It must also be about contributing to the city’s revitalisation. Thus, as part of the project, TCHC envisioned creating a green space corridor that would tie streets together, create new street addresses, allow better pedestrian flow through the community and meld the residential components with the nearby market.

TCHCs vision wasn’t only about new buildings; it was about creating a new neighbourhood.

7.4.2 Management

TCHC proposed to implement a joint venture or similar arrangement with a private developer: TAS Design Inc. The joint venture would be overseen by a Management Committee responsible for decision making (e.g. budget, timeline and consultants) set up with equal representation from both groups. TCHCs contribution to the partnership would be to provide the land and TAS would assume the upfront equity risks associated with marketing and consultation.

The joint venture would retain Mavi Developments Inc. as the development manager and builder responsible for day to day operations. TCHC proposed construction management fees as a percentage of total construction costs: rental component (3%) and market condominium component (3.75%).

As opposed to selling the land up-front, TCHC would set a price for the land, park it, and expect to recover that price downstream when the project would start generating money. TCHC and TAS would split the profits from surplus revenue on a 50/50 basis.

The business model minimised the risk that is associated with the development of the market housing. Ratio is often three market units to subsidise one affordable unit.
7.4.3 Outcome

In the end, TCHC lost the bid. Eight teams vied for the project and a different approach was chosen. How different was the winning bid? Not very. The main buildings looked similar. They didn’t opt for the green spine connecting streets through the middle. But they did propose higher project revenues - even though these were in reality unattainable.

7.5 URBAN REGENERATION IN FRANCE: THE CASE OF PAU

Presentation by Marie Defay (See Appendix B.3)

7.5.1 Context

Pau is a city in the South of France. During the early 1960s, the region was characterised by urban decay and poor socio-economic conditions including high unemployment, low levels of education and an increasing number of public safety issues.

Lack of affordable housing was also an issue which the government addressed by establishing a social housing estate north of the city centre. The estate included 1,000 units managed by a single SHI.

In France, municipalities are responsible for selecting social housing tenants. In Pau, this resulted in a neighbourhood made up entirely of families with social problems. This increased marginalisation and led to vandalism and riots.

In the 1980s, attempts were made to regenerate the precinct. The efforts included the addition of new social facilities, small improvements to public spaces as well as building refurbishments. However, these changes did not lead to the kind of transformation needed in the area. This is in part due to the inconsistent and uncoordinated way in which these changes were implemented.

7.5.2 New Municipal Regeneration Strategy

In 2004, the precinct reached a tipping point when a resident burnt down the nearby policy station. Guided by the introduction of a new national programme, the municipality of Pau developed its own new urban regeneration strategy for the precinct. The strategy encapsulated an ambitious integrated programme which sought to augment the precinct’s social and functional diversity, make better use of assets (e.g. landscape, cultural diversity, dynamic community), improve circulation within the area, improve public facilities and increase links with the city. While the managing SHI was already working on different projects to uplift the precinct, the new strategy provided a formal framework that acted as a catalyst for change.

7.5.3 Outcomes

From the time it was first implemented to the present day, Pau’s urban regeneration strategy delivered impressive results. Thirty five percent of the units were demolished, 250 new units were provided and the entirety of the remaining housing stock was refurbished. There are new public spaces, new facilities under construction and the first private operations have been delivered.
Among the new buildings erected in the precinct is Pau's tallest, serving as an entryway to the precinct. The tall building coupled with other neighbourhood refurbishments sent a signal to all residents that change is underway in the city.

Stakeholders received returns on their investments. The municipality benefited from increased land value while still retaining ownership of large plots of land that are expected to increase in market value over time. The SHI benefited from increased stock value as well as a reduction of management costs. Starting at the fringe of the precinct and working towards the core also helped attract private investment.

The new project promotes community integration through shared public spaces. While the buildings themselves are not mixed income, there is a belief that this is not necessary to achieve greater inclusion.

7.5.4 Keys to Success

• Project Leadership and Partnership

The precinct successfully evolved from an urban renewal project to an area of high potential. Much of this success is due to good governance and strong relationships.

The municipality emerged as a strong project leader, creating a team dedicated to regenerating the precinct. In fact, the municipality continues its strong involvement as almost half the 2012 municipal budget has been invested in the precinct.

Moreover, partnerships were formed between the municipality and the managing SHI. A second generation of contracts were signed in a move away from general agreements and loose commitments towards specific programmes that outlined the work involved as well as a budget, timeline (5 years) and social outcomes expected. If outcomes were not reached, financial penalties could apply.

Other partnerships were also created with community development organisations as well as non-governmental organisations. Together with the SH and the municipality, these actors co-designed and co-implemented the regeneration programme which covered spaces from a unit's doorstep to public areas.

• Importance of Planning

It was mentioned at many workshops that urban regeneration in South Africa takes place on an ad hoc basis. However, Pau's experience underscores the importance of planning. Indeed, all the actors strove to balance short term (5 years) precinct level planning with longer term (20 years) city wide planning. Working to achieve both short and long term goals means that investments tend to complement each other and maximise impacts. For instance, the national urban renewal programme provides for municipalities and SHIs for integrated projects. Private housing developments that provide affordable housing receive VAT deductions. In addition, there are no property taxes for SHIs if urban management improves. Other tax exemptions exist for housing companies during their first 5 years of operation.

• Role of Architects

Part of the transformation experienced by Pau was due to increased interest from architects who were anxious to apply new and better practices to older buildings. Social housing in Pau is proof that architecture doesn't have to look bad to be affordable. Even though the buildings become very desirable to live in, the SHI controls the rents for the next few decades meaning they remain affordable.
7.6 BREAKAWAY GROUPS

Workshop participants were asked to assemble in groups to review the ‘what’ and ‘who’ of each precinct examined as well as identify the desired outcome, timeline and resources needed to achieve those ends.

7.6.1 Cape Town

- **What**

A prime site has been identified in the Cape Town region of Sea Point/Woodstock where the urban regeneration and social housing pilot project could be executed. The site is correctly zoned and includes existing buildings that have gone into disrepair. The stock is old and the community is struggling with social problems such as drugs and prostitution. However, the low-income population is valuable to existing small local retailers who cater to and wish to retain the business of the residents.

Indeed, the regeneration of Cape Town has been a process that has driven low income people to move to the outskirts. The municipality has identified restoring city access to low income people as a priority in their campaigns but have yet to follow through by releasing government land.

The importance of the site within the city is sufficiently great that lobbying efforts supporting the acquisition of the space for social housing must continue. Indeed, these efforts should be accompanied by a proposal for the site’s development that highlights the social development value locked in government land. The city housing and planning committees must also be engaged to help secure the site.

The envisioned social housing project would include 650 new subsidised rental units. The development of the rest of the precinct would be achieved through strong partnerships between a collective of the three SHIs active in Cape Town and for profit private developers. Working with a private sector partner would address some of the misgivings regarding limited land use for social housing versus building a mixed use precinct.

- **Outcome**

The vision is that in one year’s time a joint proposal prepared by an SHI (e.g. Communicare) and an established developer will have been submitted to the province as well as the municipal planning and housing committees for the regeneration of the precinct. It’s a two pronged approach given that government assessment and response times are likely to take several years. The reality is that it will be at least two years before any of the ground work takes place.

The proposal should be well constructed in terms of both physical and financial considerations and balance longer term goals with shorter terms gains. It should also be aligned with the city’s spatial policies, mixed use zoning and encourage higher density residences. The proposal should demonstrate demand for social housing and be linked to the city’s commitment to creating environments that include affordable housing.

The proposal should also be shared with the Cape Town Partnership and the Department of Human Settlements MEC to foster collective buy-in for the project early on.

The best chance for successfully regenerating the precinct is for a strong bid which emphasizes social values.
• Who

The Municipality of Cape Town and its housing and planning committees, the Cape Town Partnership, the Department of Human Settlements, SHIs, private developers, and SHRA are all agencies that will need to be engaged in the regeneration of Sea point/Woodstock. A champion should be elected to spearhead the social housing and regeneration efforts. Ideally, this person would have the support of relevant authorities.

• When

Drafting of the proposal and engaging key players should begin as soon as possible.

• Resources Needed

The resources needed most are the human resources listed under the previous title ‘Who’. In addition, political support from the local ward councillor will have to be sought.

7.6.2 Tshwane

• What

Yeast City Housing is in the process of acquiring inner city land in Tshwane in the form of a 30 year lease from the municipality (still to be signed at the time of the workshop). YCH plans to develop a social housing project - Thembelihle - on the land, for which the architectural work has already been completed.

The goal is for Thembelihle to act as a catalyst for regenerating the precinct. In particular, neighbouring Schubart Park, where several empty decrepit residential high rises stand, poses a public safety hazard that must be addressed as part of the inner city regeneration efforts.

At the time of the workshop, the buildings in Schubart Park stood empty following evictions the year before. Discussions were thus underway about the costs involved in refurbishing versus demolishing the high rises - the latter appearing to be the most efficient option. However, since then, the Constitutional Court ruled that the eviction of Schubart Park residents was unlawful, meaning that evictees can move back in, leaving the future of the park uncertain.

This turn of events underscores the need for sound planning including a pre-feasibility study for the precinct that adopts a holistic view of the area. There must also be a dialogue between those wanting to conduct a marketing survey and those supporting a residential precinct approach.

• Outcome

The desired outcome is that the Thembelihle social housing project will be a catalyst for the regeneration of the precinct including Schubart Park. The hope is also for the precinct to positively influence nearby Marabastad.

The result would a sustainable integrated community that undergoes positive socio-economic change.

There would also be greater engagement with the public sector which has its headquarters in close proximity to the precinct.
• **Who**

The municipality and city planners should be key players in the regeneration of the precinct and they should have an understanding of the monetary gains the redevelopment would hold for them. The private sector should also be involved to benefit from commercial opportunities in the area. Other stakeholders include Tshwane planners and housing authorities, SHRA, NHFC, NASHO, SALGA and ARUP. Tenant support and involvement should also be mobilised.

• **When**

Though the development of Thembelihle has been on the agenda for about ten years, it is envisioned that ground will be broken in two years.

• **Resources Needed**

Financial and political support at both the municipal and provincial level is what is most needed to ensure the success of the regeneration exercise. Moreover, greater coordination is needed with ARUP.

In addition, the means to demonstrate how Schubart Park relates to the whole of the precinct must be obtained. Potential for monetary gain must also be demonstrated.

### 7.6.3 Johannesburg

• **What**

The City of Johannesburg has identified the Park Station precinct as a potential site for the execution of the urban regeneration and social housing pilot project. The development of the project is not as advanced as the other two as it is still at present a drawing board exercise. However, the project has strong support in the city’s administrative department.

Park Station is ideally located close to many amenities and transport nodes, but the relationship between the city and the providers meant to service the area are currently weak.

• **Outcome**

The desired outcome is for an inclusive, safe, clean and stable precinct. It should not be a gentrified space but retain affordability and accessibility to current residents.

• **Who**

CoJ will be responsible for leading the organisation of the project, though specific vehicles within the municipality are still to be identified. The design and planning should also be led by CoJ and supported by community consultation.

Other actors include investors (CoJ, banks, building owners, SHIs, national departments), managers (property owners, law enforcement agencies), legal advisors, the department of public safety, department of infrastructure and social services.

• **Resources Needed**

The project should be rolled out in phases. Phase 1 should set specific objectives which in turn will define the financial resources required.
7.7 MAKING IT WORK

In summary, making these projects work will require commitment from national and provincial governments in the form of funding as well as access to land and buildings.

It will also require building private/public partnerships to support the development and execution of a precinct plan. Public participation is also important, not only in terms of social investment but to foster positive and open relationships with the people who will live, work and play in the precinct. Discussions with people is also the best way to identify what is and isn’t a concern within the precinct.

However, how partnerships are established requires more thought. Similarly, means must be identified to strengthen the ability of strong SHIs to enter into private partnerships. It is important to recognise that the whole process lives or dies by inherent self-interest and the process must allow collaboration to achieve common objectives. What’s more, SAPS, the metro police, the department of home affairs and the community policing forum will all have to be engaged and committed to stabilizing the precincts.

Of note is that unlike a township, a precinct has no legal form. A precinct is something that still needs to be created legally, conceptually and programmatically. But the process of regenerating a precinct is in itself developmental. As one participant remarked ‘You make the road by walking’.
CITY OF CAPE TOWN
Cape Town Local Workshop 30th - 31st August 2012

1 BACKGROUND

NASHO and the Cape Town Partnership held a workshop in Cape Town on 30th and 31st August 2012 on Social Housing and Urban Regeneration with a follow-up national workshop on 11th and 12th September. The workshop involved key stakeholders working on the facilitation of social and affordable housing in the central parts of Cape Town and a number of other metro areas.

The Cape Town workshop concentrated on approaches to ensuring the development of such housing in the central areas of Cape Town. It specifically focused on the potential for development of the old Tafelberg High School site in Greenpoint. This was one of the properties that the Western Cape Department of Transport and Public Works intended to release on a long term leasehold to assist with the urban regeneration strategy for Cape Town.

NASHO - Western Cape, working with other stakeholders and with finance from SHRA had already completed a feasibility plan for the use of the site for social housing.

This is a summary of the workshop conclusion on the use of this site as a mixed tenure and income residential development that can partly respond to the need for affordable social housing alongside other uses for the site.

2 SITE LOCATION
The Tafelberg School Site Greenpoint
3 PARTICIPANTS

Key stakeholders attended, including three SHIs working in Cape Town, the Cape Town Partnership, Advisor to the Western Cape MEC for transport and Public Works, NGO’s, the City of Cape Town Human Settlements Department.

4 CONTENT

The workshop received the following inputs:

**City of Cape Town Perspective** - Seth Makatuka, Executive Director of Human Settlement

**Western Cape Department of Transport and Public Works thinking on the Cape Town Urban Regeneration Strategy** - Background of Critical Issues - Frank Cummings, Advisor to the Minister

Feasibility on Use of Tafelberg School Site for Social Housing - Consultant Michael Lagus (Appendix C.5)

International Perspectives

Canada: On the Regents Park Redevelopment Scheme Toronto - Mark Guslits (Appendix B.4)

The Netherlands: On the Regeneration of Two Neighbourhoods in Two Towns in the Netherlands - Sjaak Kruis (Appendix C3 and C.4)

There were also small group discussions on the following issues:

- vision for the site
- spatial planning and design
- land usage, ownership and control
- financing
- institutional structuring

5 OUTCOMES

Arising from the presentations, workshop interaction and small group discussions the following was agreed.

5.1 VISION FOR THE SITE

The agreed vision for the site is to create a living example of a fully integrated community through the development of a mixed use, mixed tenure development that contributes to the restructuring and sustainability of the immediately surrounding area as well as the broader Cape Town inner city.
The development of the site should avoid becoming an isolated mono-tenure island imposed on the area and cut off from any meaningful interaction with the existing residential, institutional and business communities in the area.

The intention is to use the opportunity to demonstrate that it is possible to achieve such mix tenure and mixed income residential developments in inner Cape Town and influence future such developments. This is particularly important given the increasing scarcity of decent affordable housing opportunities for low and moderate-income households in the city area.

The development is envisaged to be primarily residential, but including some local retail, commercial and institutional (educational) components, and characterised by the following:

- Social Housing to form the bulk of the stock to be developed as it can readily act as the vehicle for injecting government investment in the area, and making it more attractive for private capital
- Additional market stock for higher end sectional title or rental dependent, upon the condition of land release agreed by the department
- A tenure mix that will be functionally integrated with the surrounding community by catering for the accommodation needs of people already working in the area
- Including limited retail/commercial to complement the existing business activities along Main Road, rather than simply imitating it
- Design that resonates with the existing built form in the area and ensures smooth transition to the intended higher densities on site
- Best use of the existing heritage buildings as an opportunity to activate mixed and integrated use of the site and create benefit that can be shared with the existing community. This would be determined through proper feasibility studies and could for instance take the form of making the facility avoidable in whole or in part to a private provider of education and/or healthcare, and/or converting the interior space into medium to high end market rental residential units
- Possible opening up of the on site ‘park’ to the surrounding community, acting as a link and as a ‘gift’ from the on site community to the broader Sea Point community

5.2 PRINCIPLES FOR DEVELOPING THE SITE

- The form of release of the land must suit both the developmental needs of the city and the landowner’s need for some return on the disposal of it asset. This means specifically that the mix of ‘not for profit’ and ‘commercial for profit’ development respectively, must be carefully balanced to achieve this objective
- The above means that all parties to the deal must be open to compromise on respective returns and negotiated agreement
- The legal mechanism(s) for holding the land and financing structure for developing it must be designed to suit the mixed use vision
- The city and its preferred social housing partner in this case must step up arrangements and partnerships needed to make the above work
- The SHI should enter into a partnership agreement with an established and credible commercial developer to forward a feasible and sustainable project
5.3 RECOMMENDED WAY FORWARD

- That social housing partners of the City of Cape Town are given the opportunity to develop a partnership with a credible established developer to achieve the sustainable mixed development. This is to be done in conjunction with the Cape Town Partnership.
- That the province defines the parameters in which it can support the realisation of a mixed tenure and income development with a strong social development value on the site as opposed to a development purely to maximise the immediate return.
- That a detailed proposal for this development is prepared for consideration against this criterion to achieve a mixed tenure mixed income primary residential development.
- That this is done within a time period defined by the key stakeholders with regard to developing a sustainable option.

- The portion of land to be used for the social housing component must come at a price that ensures the financial viability of this component
- The residential rental part should preferably be structured for a range of incomes that include market rentals and or middle to higher market for purposes of cross-subsidisation
- In addition to the usual legal, physical, marketing and financial feasibility studies, a proper socio-economic profiling of the existing community and its functional organisation should be carried out followed by meaningful engagement to ensure buy-in and that the real needs of the area are addressed
- That this project will create a model for future development of well located good value land providing for mixed income residential and use opportunities on a sustainable basis
D CITY OF TSHWANE
Tshwane Local Workshop 3rd - 4th September 2012

1 BACKGROUND

Yeast City Housing is an accredited SHI operating mainly in the inner city area of Tshwane. They have developed and managed a number of existing projects with an emphasis on special needs. They are however expanding their delivery of more general social housing rental units.

The Tshwane municipality had given them the long term leasehold rights to the development of the Thembelihle site located on the edges of the inner city for development of a social housing project. They had undertaken extensive planning work for the site, however, there was little clarity on the approach to development of the total precinct area which consists of large tracts of under or informally used government owned land. It was therefore considered important to attempt to locate this development as an important element and possible driver of a broader urban regeneration of the whole precinct.

The intention of the workshop was to bring together the key stakeholders to consider such a broader precinct development and what needs doing to drive this and how it could be linked with the development of the site by YCH.

2 THE SITE AND PRECINCT
The Site within the Broader Precinct
3 PARTICIPANTS

Participation was predominantly from YCH, consultants linked to the project, the GPF involved in helping to finance the project and representatives from the consultancy company involved with the municipality in preparing precinct plans for the Tshwane inner city. Only one municipal official attended and that was only for the first day. GPF also brought representatives from other municipalities engaged in setting up their own social housing programmes.

4 CONTENT

4.1 PROPOSED DEVELOPMENT PLAN FOR THE THEMBEIHLE SITE
Presentation by Anca Szalavicz, Architect, ASA (See Appendix D.3)

4.1.1 The Site

Opposite Schubert Park, the Thembelihle site is in close proximity to many amenities, services and public spaces including the Gautrain
station, Tshwane Rail System, taxi rank, Tshwane University of Technology, Freedom Park, government departments (printing and transport) and Kidicol creche. West of the project is a series of mixed use units including retail.

The site measures 2.3 ha (103m x 200m) and is zoned for general business, allowing for a variety of uses including residential. Mostly vacant, the site land is owned primarily by the City of Tshwane with other sections owned by provincial and national government. However, parts of the land are being used by mechanic shops, an informal taxi rank and playground.

While it is unlikely that the land was ever contaminated, a recommendation was put forward to investigate further.

Lastly, it is worth noting that the site is surrounded by one-way streets and the city might have to revisit this to promote effective traffic flow.

4.1.2 Design Considerations

Yeast City Housing has worked with architects to create a design for the social housing project which would maximise space usage.

The project will include 735 units in 17 buildings. The buildings will be medium-to-high density high rises and vary between 4, 10 and 11 stories. The number of stories was determined by costs associated with fire safety regulations. The floor space ratio is quite high at 1.5. The parking ratio is relatively low due to the inner city setting, proximity to public transit and greening concerns.

In fact, the site will include a green lane to promote pedestrianism. Landscaping costs should still be low as there are already many trees in the area and basic grass and shrubs don’t demand much maintenance.

Initial plans called for a skateboard park as a means of promoting integration by attracting kids from other neighbourhoods, but this idea is being reconsidered due to security concerns and barriers to access caused by gates. However, Kidicol, the nearby creche, does need additional playing space so there will be shared land for that purpose, also encouraging greater interaction with the existing community.

Other greening components include building cavity walls for heat loss and conservation as well as heat pumps. The budget will determine if more green initiatives can be implemented.

Thembelihle will be an urban development that includes a retail component. While initial plans called for some communal accommodations, market rental units as well as some units designated for ownership, this would have compromised the SHRA subsidy without which there would be insufficient funds to realise the project. The project will still be comprised of different sized units (bachelor/studio, one bedroom, two bedrooms).

4.1.3 Challenges and Obstacles

Pretoria’s inner city is an urban development zone. It includes large underdeveloped areas owned by the national government or council that could be better used as a means to further integrate the city.

The original concept for Thembelihle was drawn in June 2004. The idea was that the village would embody Pretoria’s vision of a better city and contribute to the vitality and appearance of the overall precinct. Specifically, Thembelihle would be a mixed use and mixed tenure medium-to-high density residential area as well as a hub for development and a catalyst for regeneration. The project was to cost approximately R60 million, but the original plan was not realised.
Following negotiations, ownership of the land was to be handed to Yeast City Housing. It took the city three and a half years to provide YCH with a lease to sign. Issues relating to the lease are currently being settled and plans for development are slowly getting back on track. Before building can commence however, the informal taxi rank will have to be removed.

Other challenges include overcoming 'not in my backyard' attitudes, project funding, striking a balance between security (gates) and promoting free movement, establishing strong management of both residential and commercial components (mixed use), complying with energy efficiency regulations (capital costs vs. cost savings for tenants), and precinct wide planning to achieve sustainable urban regeneration.

Financing is always a particular kind of challenge because often the work of different people contributing at different stages cannot be funded from the same source due to grant conditions. Costs attached to pre-feasibility activities are often overlooked by funding institutions. But in reality, successful urban regeneration exercises require funding for more than the land and building costs. Funds are needed to support all three stages of the project: pre-feasibility, capacity development and operations.

4.1.4 Roles and Responsibilities

Municipalities play a key role in city regeneration, yet questions remain around the responsibilities. For instance, to what extent should they be involved in the preparation of precinct plans? Should they be more prescriptive regarding land use? Should they treat housing as an isolated issue? Should they treat different types of housing separately?

These questions notwithstanding, the City of Tshwane is attempting to provide clarity and strengthen its housing policy framework as it finalises its ‘Housing and Human Settlements Development Plan’. The plan will be subject to public consultation and approval by a mayoral committee.

A major component that the plan should address is the release of land. Municipal land tender processes remain a concern for SHIs. Some of the tenders go back to 2004, highlighting the need to accelerate government response processes.

The fluctuating value of land should also be taken into greater consideration. Often, social housing projects have a stabilising effect on neighbourhoods due to sound management practices, prompting the price of surrounding land to increase significantly. SHIs then become the victims of their own success, unable to afford land on which to expand projects or start new ones within the same neighbourhood.

This situation will continue to repeat itself unless municipalities stop releasing land on an ad-hoc basis. Land could be strategically released a little at a time so that municipalities benefit from the accrued value of land rather than letting private developers pocket all the profits. More research is needed to determine what instruments can be used to retain land value so that it can be re-invested – potentially in social housing.
4.1.5 Progress, Vision and Way Forward

Social housing can be a catalyst for urban regeneration by introducing well managed quality housing stock for low-income people in deteriorating inner city areas. Stable neighbourhoods create opportunities for economic and social integration. Thus, social housing is about more than putting roofs above heads; its an investment in people and communities. The hope is that Thembelihle will revive Tshwane's inner city like the Johannesburg Housing Company's Brickfields project helped revive Newtown.

In addition, there have already been discussions about improving nearby Paul Kruger Street (removing informal traders and increase paved areas to improve movement) and surrounding government buildings. Discussions have also taken place about dedicating Thembelihle units to student and young families.

The project’s current status is that the LAA is in place, the re-zoning is complete, they are ready for SDP submission and parking relaxations are pending.

4.2 THE REVITALISATION OF REGENT PARK

Presentation by Mark Guslits, Principal, Mark Guslits & Assoc. Inc (See Appendix B.4)

Canadian and South African circumstances differ widely in terms of history, politics and finances. However, when it comes to housing, the need is the same. The purpose is universal. For this reason, there is value in the two countries sharing their experiences building and managing affordable housing.

In Canada, many lessons and best practices have emerged from the revitalisation of Regent Park, in Toronto.

4.2.1 History

The closest thing Toronto - and possibly Canada - ever had to a slum emerged in the 1930s in an area now known as Regent Park. Located a short 10 minute walk from the city centre, the 30 hectare park became home to poor Irish immigrants fleeing the Great Potato Famine.

Following World War II, the Canadian Mortgage and Housing Corporation was founded to assist in housing veterans, but its mandate quickly expanded to address other urban problems including poverty. This led to the 1949 decision to tear down the shacks of Regent Park and temporarily re-locate the residents so that new structures could be built. By the early 1950s, new three and four story buildings containing a total of 2,000 units were ready to be inhabited. The new Regent Park was a great example of the then popular garden city approach to planning.

Approximately 60 years later, the buildings hadn’t changed, but the residents had. The once predominantly white Irish community had evolved into a very diverse immigrant community - most of which had been living in Canada for less than a decade.

By the end of the 1990s, questions were being raised around whether or not Regent Park was a sustainable community. The poor condition of the buildings needed to be addressed. So did the garden scheme which didn’t appear to be working for this lower-income community. The wide open spaces and pathways once viewed as assets had become empty and unused, except by gangs. The lack of roads and access of building entry ways made Regent Park difficult to police. The area became a ghetto that most Torontonians avoided.
4.2.2 Planning for Change

Consensus was reached that something had to be done to uplift Regent Park. The process would be led by Toronto Community Housing Company - an independent, arms-length body owned by the City of Toronto.

While the first thought was to renovate the buildings, further investigation led to the conclusion that the best approach was to demolish the buildings and start anew.

Tasked with answering the question ‘How do you take one thing and turn it into another thing?’, TCHC spent the following 18 months planning and engaging all levels of government. It was important to foster positive relationships with stakeholders and involve them as early as possible.

Much consideration was also given to what might happen to the community. Despite the many problems, there was a strong sense of ownership among the residents of Regent Park. They didn't want to see their homes abandoned. Indeed, getting the community on their side was a big step for TCHC as it essentially required getting permission from people to tear down their lives in order to rebuild them.

TCHC’s vision was that the community would move back to a bigger and better Regent Park made up of higher density buildings and more than double the number of units: 5,500. The precinct would also include grocery stores, restaurants and banks - services that tenants had to typically walk great distances to or employ public transit to access.

TCHC’s vision was also to promote diversity among tenants through mixed tenure (subsidised rentals, market rentals, ownership) and by convincing the City of Toronto to build its new public indoor aquatic centre in Regent Park.

The precinct itself was also restructured to bring together all the mall garden parks to create one large central urban park. Space was also made to re-introduce all the streets to improve access to the buildings.

4.2.3 Other Design Aspects

From a design point of view, many different architectural firms were hired so that Regent Park would look like a series of contemporary buildings rather than a project. From the outside, it would be difficult to differentiate low-income units from market units. There would be essentially no difference except for interior finishes.

Space dedicated to arts and culture would also be an important element to bring in to tie people together.

4.2.4 Financing

The new Regent Park came with an approximate price tag of R 12.7 billion.

Funding would come from three main sources. One third would come from banks. Another third would come from cross-subsidisation where a partnership was formed between TCHC and the developer who would share in profits from unit sales. The last third came from conventional financing (borrowing against projected operation savings).
Steps were also taken to ensure the financial sustainability of Regent Park on the longer term. For instance, part of the land was held for future release once its value increases. TCHC also invested in a community heating and cooling plant that can not only generate enough energy to serve the neighbourhood, but can also sell back to the grid.

4.2.5 Outcome

The new Regent Park is to be delivered in five phases over 15 years (three years per phase). Currently, TCHC is working on developing phase three.

Already, Regent Park is no longer a ghetto. It is just a series of new, energy efficient (led gold) buildings where people live in downtown Toronto.

Each building now has one monitored entrance and a rigorous security system in place. Police are able to patrol the area. Moreover, area businesses were assigned quotas for hiring local people for jobs at every level, creating income and hope for residents. The idea was also to create an environment that is no longer friendly to criminals and where it would be difficult to hide their activities. This doesn’t mean there aren’t any problems, but that there are now mechanisms in place to better address them.

That said, not all former Regent Park residents decided to move back to the neighborhood. Some felt that they had moved on with their lives and it no longer made sense for them to return. Thus, TCHC turned 300 of the units that would have been occupied by former tenants into market rental units. The money these units generated was used to develop five off-site buildings in strategically chosen areas to promote growth in the downtown core and introduce low-income people in neighbourhoods they previously would not have been able to afford to live in.

4.3 VISION EXERCISE: BEYONDThembeLIhle

Workshop attendants participated in a group exercise where each group was assigned a different section of the precinct surrounding ThembeLIhle and asked to develop a vision for its regeneration. Specifically, each group had to identify potential links to the broader development of the area, the conditions necessary to realise the vision and how social housing could aid in the process.

4.3.1 Group 1

Group 1 envisioned that ThembeLIhle could be the precinct’s public face. It could be a first phase of beautifying the precinct by incorporating a colour palette reflective of African heritage.

The precinct could include walk-in outreach centres made accessible by reinforcing the pedestrian artery that crosses Schubert Park.

Following an assessment of existing services, there should be a plan to keep building available amenities. These could include revitalising the old shopping centre, opening clinics, and creating new park space. The precinct could also include a mixed use community centre (sports, training, leisure, spiritual activities).
It was agreed that the precinct needs more housing beyond Thembelihle to accommodate people of mixed incomes. It could also include transitional housing. While the precinct should have security services and gates, there should be a plan to reduce the amount of walls in the area once it is stabilised.

Group 1 also saw that the precinct would act to unify the CBD and nearby Marabastad to create a single CBD.

4.3.2 Group 2

The first step Group 2 took was to expand the precinct to include a 1km radius within which it is expected that residents would work. The SHI in itself could create jobs.

The emphasis should be placed on housing while facilities like parks and recreation sites should be a secondary focus. The precinct should provide mixed income and mixed tenure accommodation with a portion of the social housing in the form of communal units. The social housing project will also have access control for security.

Community asset mapping will also need to be undertaken to account for what is already there including unmarked open spaces. Already known is that nearby Sadeba House has an HIV clinic that could service other housing projects in the Yeast City Housing portfolio.

It was also suggested that the precinct target a wider family profile than those with kids under six years old. This would have implications i.e. access to schools at all levels.

4.3.3 Group 3

Group 3 predicts that the majority of the precinct development will take place in the next 3-4 years. A development push will be triggered by the demolition of the Schubert Park apartment buildings and the demonstrated need to rebuild in one form or another.

Similarly, the group believes that the precinct will expand to include various types of housing of various natures (social housing, market rental, ownership).

They also envision a new commuting network which will help connect the precinct to other areas of the city. This creates potential for shopping centres and convenience stores to set up shop along the commuter routes.

However, there is concern that there are too many decision makers slowing down the process. Tenders are going out but no decisions are being made. There is a need for a quicker tender adjudication system.

A last concern to note is with the size of the units. Giving families too much space leads them to sub-let rooms at very high rates. This space could otherwise be used to create more subsidised units.
4.3.4 Vision Exercise Conclusions

All groups envisioned that the primary use of the precinct would be residential - containing some 2,000 units. All the groups agreed that the precinct should include a mix of state assisted housing and market housing. Drawing on the Regent Park example, where sectional title units located within the Toronto precinct sold out in a weekend, it was deemed desirable to incorporate sectional title units within the wider Thembelihle region to both generate revenue and promote integration.

While there was no suggestion that the precinct include RDP housing, groups did agree that there should be units (not necessarily self-contained) dedicated to transitional housing.

As previously mentioned, one group suggested expanding the precinct while another suggested increasing the density by increasing the number of stories per unit. However, further discussions pointed out that this could be complicated given current resources and managerial capacity.

Groups also envisioned a commercial/retail component in the precinct primarily geared to its residents. A small shopping centre already exists but could be upgraded or combined with other small retail units. Ground level shops could also be built to take advantage of foot traffic. Other private businesses could also provide entertainment (theatres, restaurants etc.).

Asset mapping should also be conducted to determine the need for clinics, schools and other public services. Amenities should not be duplicated without reason.

The precinct should provide easy access points to public transport routes. And despite that cycling is not really a part of South African culture at the moment, there are discussions taking place with the municipality to extend pathways so that it becomes a viable option for commuters. This could also support the precinct’s emphasis on greening initiatives (in buildings and the overall neighbourhood).

Of course, financing the precinct vision was a major concern of all groups. Available instruments include the Restructuring Capital Grant, institutional grants (provincial and municipal), Gauteng Partnership Fund grants, land subsidies and potentially - as in the Regent Park example - cross-subsidisation. Yet, most of the capital expenditure is going to happen around housing and not the other aspects of the precinct. Even then, as is the case for Yeast City Housing most of the funding (Gauteng Partnership Fund) will kick in during the operational and capital expenditure stages. Meanwhile, architects are working at risk. The cost of pre-feasibility should be further discussed with the SHRA.

Retail and commercial activities will have to be financed through private sector investment, but the cost of building the units can be factored into the overall project cost.

Recreational centres and activities can be financed through public/private partnerships as well as donor funding. Relationships with the city and other surrounding amenities are also key. For instance, a case could be made to build new municipal facilities within the precinct. Land and facilities could also be shared with nearby schools.
4.4 APPROACHES TO PRECINCT DEVELOPMENT

Building on the visioning exercise, workshop participants were then asked to examine the mechanisms they would need to realise their vision. Specifically, participants discussed:

- Approaches to phasing of precinct development
- Approaches to procurement and land control
- Forms of institutional relations
- Precinct planning
- Financing
- Physical development
- Long term development
- Other issues and the actors who must address them

4.4.1 Group 1

Group 1 saw Thembelihle as the ideal starting point for the redevelopment of the precinct. The group agreed that given the number of units (approx. 2,000), the development could be phased in two parts. However, given the mix of units, they couldn’t decide what to introduce first. The group predicted that it could generate R200 million from selling units and reinvesting this money in the development of the precinct.

Partnerships would also be important, particularly with the SHI. Drawing on the Canadian experience, there would also be four private partners including architects and developers. Strong relationships with donors (e.g. funding banks) would help drive retail and recreational components. Other key stakeholders include NDHS, NHFC, GPF, FLISP, AFD, ESKOM and Green Funds as well as the departments of social development, health and education.

Issues that still need to be addressed are providing room for growth as the project develops and other stakeholders come on board. There would also need to be a block set aside for energy production which could be translated into savings for residents.

4.4.2 Group 2

Group 2 saw Thembelihle as the first phase of the development as the planning of the social housing project is already fairly advanced and could act as a catalyst for the development of nearby transport systems. The second phase could be to approach the shopping centre owner to discuss refurbishing the centre which is currently only partially functional and surrounded by vacant buildings. Phase two would also include looking at existing community services such as creches and schools to promote arts and cultural activities. Final phases of development would include discussing healthcare provision with government representatives, looking at adjacent sites that could widen the scope of precinct uses, and analyse how the SHI is managing the site.
As far as land control, it is important that all future developments speak with each other and share their plans. Council would have to be approached for any additional land purchases (for instance, on which to place section titles). Gates would have to be installed but could be limited to the outskirts of the precinct rather than around each individual block.

The housing association would be the leading actor managing the precinct. Incentives to get banks and private sector donors on board would include the opportunity to market their services by branding parts of the project and even incorporate their services in the design of the precinct.

Issues that remain to be addressed are future land procurement, stakeholder management and relationships with adjacent property owners.

4.4.3 Group 3

Group 3 saw Thembelihle as the first phase of the precinct’s development; however, the social housing project itself would be developed in four phases. The first nine months would be dedicated to developing Phase 1a and 1b of Thembelihle and account for 700 units. As the different phases reach completion, the project would draw residents, attract investors and generate revenue. Within five years the entire project would be complete.

Precinct land (specifically three sites surrounding Thembelihle) could be accessed in the form of 99-year leases from the municipality. Cross-subsidisation is another tool that could be implemented to purchase land.

Other issues to be addressed include the provision of common spaces, market studies, land negotiations (who would be invited to the table) and stakeholder relationships.

4.4.4 Comments on the Exercise

According to the Gauteng Partnership Fund representative, funders prefer to finance whole projects instead of parts of it separately, putting into question the feasibility of developing Thembelihle one section at a time. It also puts into question the assumption that parts of the precinct could be used as a catalyst for the development of other parts. Securing upfront investment is key.

5 WAY FORWARD

Moving forward, drawing on the insights gained from the workshop exercises, a proper precinct vision must be elaborated on and which includes a status report, a development plan and implementation framework. Moreover, a proper market survey would need to be conducted to inform architectural design.

Obtaining buy-in from the mayor and the mayoral committee is also an important step - particularly as a new municipal housing strategy is being developed. The SHRA should also be involved from the beginning of the project.

Land should be acquired first and an investigation should take place regarding lease stipulations.
6 RECOMMENDATIONS

- Produce report for submission to NDHS and Mayoral Committee;
- Find out who is responsible for urban regeneration at the national level;
- Involve all the funders and donors (NDHS, NHFC, GPF, IHS, SHRA, FLISP, USDG);
- Address research and policy gaps as well as political ambiguities;
- Develop benchmarks (e.g. continue sector reports);
- Garner political support
E CITY OF JOHANNESBURG
Johannesburg Local Workshop 5th - 6th September 2012

1 BACKGROUND

On September 5th and 6th 2012, NASHO, in collaboration with the City of Johannesburg (CoJ), hosted ‘Reviving Our Inner Cities: Social Housing and Urban Regeneration in South Africa’, a workshop held at the Johannesburg Art Gallery.

The workshop explored the potential links between social housing and urban regeneration and sought to develop a road map to kick start the redevelopment of a selected Johannesburg inner city precinct through the recently initiated Inclusive Mixed Use (IMU) precinct programme of the City of Johannesburg Human Settlements Department. During the pre-planning meetings it was decided that the workshop was an appropriate forum in which to assess what needed structuring in order to make the IMU work. In focussing on this to test the thinking against an identified inner city precinct - Central Station Precinct.

It also drew on research conducted by Alice Fauvel on how and where the national Capital Restructuring Grant has been spent by social housing institutions.

Day 1 of the workshop focused on creating common understandings of social housing, urban regeneration and what constitutes a precinct. It also served to introduce CoJ’s new Inclusive Mixed Use (IMU) precinct programme - a key tool in this urban regeneration exercise.

Day 2 focused on describing the qualities and condition of the selected precinct as well as on identifying the mechanisms that would enable regeneration to take place.

2 PARTICIPANTS

In attendance were representatives from three different CoJ departments, eKhaya, Johannesburg Housing Company, Johannesburg Social Housing Company, Madulammoho Housing Association, and SHiFT.
3 THE SITE
The Johannesburg Central Station Site Map

4 CONTENT
(Programme - See Appendix E.1)

DAY 1

4.1 WHAT IS SOCIAL HOUSING?
Discussion led by Malcolm McCarthy, General Manager, NASHO

Social housing is a response to South Africa’s housing backlog through the provision of good quality rental housing stock usually delivered in medium to high densities for people of low to medium incomes. It is a housing option which creates affordable rental units using government subsidy.
Social housing funding instruments include the Restructuring Capital Grant (administered by the Social Housing Regulatory Authority - SHRA), top-up or institutional subsidies (granted by the province) and loan finance which usually covers approximately 1/3 of per unit costs (administered by different actors e.g. Gauteng Partnership Fund, National Housing Finance Corporation etc.). Conditions associated with these subsidies include that they be used to provide strictly rental accommodation to house tenants that fall within a specific low to medium income range (R1,500 - R7,500 per month).

But social housing is about more than putting roofs above people's heads. Its about community development and social programming. Thus the real challenge is management.

Management includes a variety of roles and responsibilities from overseeing the housing stock and rent collection, to maintaining positive tenant relations and linking residents with social service providers.

This challenge is exacerbated by the legacy of apartheid which severed relations at all levels of society including between landlords and tenants. Yet maintaining good relations between these groups is crucial, since to remain viable social housing projects need to maintain a 95% rent collection rate.

Indeed, social housing is not charity. SHIs are not-for-profit businesses that use entrepreneurial and imaginative means to generate returns while at the same time driving programmes in areas of high risk.

Moreover, social housing seeks to integrate people from different income groups to increase access to economic opportunities. As one workshop participant put it, social housing can be considered a form of 'social engineering'.

Social housing institutions (SHIs) also work to establish safe neighbourhoods. For more information about urban regeneration and security, refer to 'Regenerating a neighbourhood: Useful lessons from eKhaya' by NASHO General Manager, Malcolm McCarthy and published by the Housing Development Agency.

4.2 SOCIAL HOUSING AND URBAN REGENERATION

Discussion led by Malcolm McCarthy, General Manager, NASHO

Urban regeneration can be defined as the coordination of resources and investment to reinvigorate a precinct that's gone into apparent disrepair.

Those who work in the social housing sector have often witnessed the impacts a well-managed social housing project can have on the surrounding area, effectively stabilising and regenerating parts of the neighbourhood. Yet this success if often achieved by accident rather than through careful planning.

For this reason, NASHO is examining the potential links between social housing and urban regeneration in an effort to strengthen the impact and policy framework around the two.
Among the questions the workshop sought to address were:

- Where and how is social housing investment being spent?
- Where is the Restructuring Capital Grant being spent?
- Is social housing investment linked with broader urban development and integration initiatives?
- Can social housing help stabilise neighbourhoods?
- Can social housing raise the value of surrounding land?

As part of its research, NASHO will facilitate the engagement of key stakeholders in the planning of three social housing projects - in Cape Town, Johannesburg and Pretoria respectively - within demarcated inner city precincts that have been judged to have potential for regeneration. NASHO will then be monitoring the development of the projects and study their direct and indirect impacts on the whole of the precincts. The study will inform how inner city regeneration can be taken into greater consideration at the inception of social housing projects as well as how social housing can become an integral part of regeneration initiatives.

In addition, NASHO intern Alice Fauvel has conducted a survey among SHIs as part of a spatial analysis of where the Reconstruction Capital Grant is being spent. Results are to be shared at NASHO's national workshop on the same topic to be held in September 2012.

It is also of note that municipalities can structure the release of land at lower than market prices as long as they can demonstrate that its being done to service the city.

4.3 DEFINING A METHODOLOGICAL APPROACH FOR AN INCLUSIVE MIXED USE (IMU) PRECINCT

Presentation by Emanuel Sotomi (See Appendix E.2)

The CoJ drafted ‘Mission Joburg 2040’, which aims ‘To create a strong city-region economy and create a city environment that is resilient, sustainable and liveable’ as well as ‘A more equitable and spatially integrated city which everyone will enjoy’.

Johannesburg’s inner city is one of the most important economic nodes in the region (if not also in the country and continent). Yet it is not easily accessible to everyone. Apartheid era urban landscapes remain unchanged with housing developments geared to low income people still located on the periphery of the city, far from employment opportunities and government services.

To address this imbalance and successfully transform Johannesburg into a city where people from all walks of life gather to work, live and play, the municipality is shifting away from projects that focus solely on the poor, towards a more holistic and housing driven approach to urban redevelopment.

The CoJ’s proposed approach is to create Inclusive Mixed Use (IMU) precincts. IMU precincts seek to include a combination of related uses in one place: residential, commercial, retail, entertainment, civic and governmental. This approach incorporates planning and financial instruments as well as both vertical and horizontal integration.

Vertical integration is a type of mixed-use development where non-residential and residential units are located in the same building.
Typically, the dwelling units are located on the upper levels and the non-residential units on the lower levels. Similarly, horizontal integration is a type of mixed use development where residential and non-residential uses are exercised in different buildings located in close proximity to each other within an identified cluster.

In an effort to encourage the development of vertical mixed use buildings and horizontal clusters, it was proposed that City Council establish an IMU programme, supported by a new planning instrument called an overlay zone.

Overlay zones would allow developers to establish IMU buildings in locations zoned for single use while paying commercial rates and benefitting from rebates associated with the residential units. Overlay zones should include most commercially zoned and selected properties and be situated along core transit corridors.

Overlay rights would co-exist with initial zoning rights. This means it is still possible to keep commercially zoned buildings located in IMU precincts strictly commercial. It's the owner's prerogative. However, one can only use overlay rights or underlay rights - not both.

**IMU Overlay Zone Instrument - Principle Objectives**

- To provide a meaningful blend of residential and non-residential uses that enhance and build on the city's commercial base. It is not intended to act as a loophole in the zoning code for residential development;
- To provide additional housing options;
- To encourage consolidation of small parcels into viable, block-size mixed use development in designated areas

For IMUs to be successful, all components must be individually successful. If the residential doesn't work, the retail won't work and vice versa.

The success of the IMU programme also depends on successfully establishing and managing transitional re-settlement areas (TRAs). Many buildings located in overlay zones are illegally occupied and/or must be temporarily vacated for upgrades to take place. This cannot be done without provisional accommodation for all tenants.

### 4.4 FUNCTIONAL SOCIAL DEVELOPMENT REQUIREMENTS WITHIN THE IMU

**Presentation by Jak Kossef (See Appendix E.3)**

The role of the IMU precinct programme is to enable municipalities and provinces to achieve their vision for South African cities. For Johannesburg, that vision is elaborated on in ‘Mission Joburg 2040’.

However, before the IMU precinct programme can be implemented in Johannesburg's inner city, several fundamental and persisting challenges must be addressed.

At any given time, the inactive working age population of Johannesburg is about 1 million people. Twenty one percent of the city lives in some kind of informality. Medecins Sans Frontieres (Doctors Without Boarders) identified 82 buildings in the inner city where 50 - 60 thousand people live in appalling conditions. There is also a spatial dimension, where apartheid city structure has created a deprived inner city located next to wealthy neighbourhoods.
As individuals move up the income scale, housing and transport take up a significant portion of household expenditure. This creates an opportunity for the market to compete with the slumlord economy which serves the working poor and not the absolutely destitute. However, rentals on a purely commercial basis are not low enough to capture this market, keeping the slumlords in business.

Capital subsidy for low cost rental goes part of the way towards solving the problem. The question of operating costs remains a bottleneck to the supply of rental and utilities. The Expanded Social Package (ESP) (providing assistance to indigent individuals) and Registered Social Landlord (RSL) programmes are still in their early stages. But hijacked buildings represent a broken rung in the housing ladder that must be fixed as soon as possible. The municipality has to either (a) find a way to convert or formalise hijacked buildings, or (b) make it possible for the commercial market to meet the state halfway or (c) both.

While the emphasis should be on removing the hijackers and not the bad building tenants, evictions are still necessary as the building must be vacant to be refurbished. Moreover, the current eviction machine is quite complicated. As the Emergency Housing Code states, temporary alternative accommodation (not specified) must be found for evictees.

One attempt to formalise evictions was through the Blue Moonlight process. Tenants were individually assessed. Those who were placed in homeless shelters were made subject to a progress plan and overseen by a social worker. Shelters can provide a reason to be honest about earnings. Its not a comfortable environment as its meant to move people in and out. Professionals are still learning from Blue Moonlight.

The people with the least incentive to cooperate with initiatives to improve living conditions - such as criminals - will fight the hardest against them. Social pathologies must be addressed. Its not about arresting the first law breakers you find.

Dealing with inner city issues is a balancing act between state obligations, rights protected by the South African Constitution, human rights and the responsibility of citizens.

While its not possible to engineer increased positive relationships among people and/or tenants of different ages, genders, races and class, it is possible to create spaces that enable this. That's where the IMU precinct programme could come into play.

### 4.5 SUMMARY OF MORNING DISCUSSIONS AND ADDITIONAL POINTS

*Discussion led by Malcolm McCarthy, General Manager, NASHO*

The goal of promoting social housing as a catalyst for urban regeneration is to improve the opportunities available to low and medium income households. It recognises the role of social housing in creating mixed tenure and mixed income neighbourhoods.

Through government subsidies, there is incentive for landlords to take a second look at how they use their properties. Incentives include the RSL and ESP programmes, the Community Residential Unit (CRU) subsidy, institutional subsidy, and access to TRA mechanisms. In addition, participating in the IMU programme gives access to municipal land.

Another incentive is the augmentation of bulk services that may also serve to attract small businesses (vs. letting them be driven out by larger players).

This discussion is represented in the diagram (page 44) that outlines the key programme elements of the IMU and helps define what institutional preparation is required before launching the IMU.
Diagram of IMU Precinct Programme

- Dynamic, affordable and just city
- Mixed use
- Mixed tenure
- Mixed income
- Precinct urban regeneration
- Densify
- Housing driven
- Improve quality of opportunities for low and medium-income individuals

- IMU Overlay zone
  - "zoning relaxation"
  - TRAs
  - Use of municipal resources
  - Zoning linked rebates

- Augmentation of BUCK services
- Work group

- USDG
- Utility rebate
- Rate rebate (zoning link)
- TRA access
- Planning relaxation
- Housing subsidy
- ESP
- RSL
- Speed up government admin
- Access land/building
- Commercial small scale incentive

- Who decides?
- Who gives spatial form/plan?
- Who assesses/determines usage of municipal assets?

- "Partners":
  - Residential
  - Commercial
  - Institutional (e.g., school, hospital, clinic)
  - Community

- Financial flows

- Housing Market
  - Market ownership
  - Market rental
  - State assisted
  - Special needs
  - TRA
4.6 OVERVIEW OF THE THREE IDENTIFIED PRECINCTS  
Presentation by Zanele Malusi (See Appendix E.4)

The CoJ identified three potential sites to pilot the IMU programme: Park Station Precinct (surrounding a major transportation hub), Bertram Precinct (supported by a nearby sports stadium) and Roodepoort Precinct (an old CBD).

Park Station Precinct was chosen as the pilot site. The precinct includes more than 150 bad buildings deemed uninhabitable in their present state.

4.7 CRITERIA FOR PRECINCT SELECTION  
Group discussion

Workshop participants had several questions, not only about how to demarcate a precinct, but to select one that had potential for regeneration. Discussions ensued to identify precinct conditions that would maximise the potential for successful regeneration.

Precinct selection criteria:

- A previously economically and socially active area where progress can be measured and compared to former levels of activity;
- Alignment should exist between the selected area and re-structuring zones;
- Area must be able to absorb secondary functions so as to avoid creating residential slums (i.e. space for business to move back in and expand);
- Close proximity to businesses that can provide employment or other economic opportunities;
- Close proximity to transport nodes and large urban interchange (e.g. taxi ranks, bus stations);
- Existing amenities and other resources - minimising the level of investment necessary for regeneration;
- Potential for integrating different groups (economic, racial, functional);
- A significant percentage of bad buildings that can be relatively easily acquired;
- Access to government services

It was noted however, that focusing on areas that were previously economically viable does not imply a return to what they were before. Urban regeneration should seek to use existing elements to create something new in accordance with evolving population needs and wants.

Also of note is that it was recommended that precincts start off small in size, however, what constituted a small precinct was not defined.
4.8 REGENERATION PRINCIPLES

Group discussion

For regeneration initiatives to be successful, it was concluded that several principles needed to be followed.

4.8.1 Actors

Regeneration plans should be led and supported by a champion with political influence and the ability to establish a speedy decision making system. The champion could take the form of an institutional custodian.

Regeneration plans should also incorporate input from stakeholders - primarily the city. Plans must be embraced by multiple municipal departments who agree to work together. The municipality should also see value in the plans at both the precinct and programme levels. All partnerships must include clearly defined roles and responsibilities to maximise development outcomes.

4.8.2 Resources

Regeneration plans should be supported by proper targeting and structuring of resources already at the actors disposal. Actors must not reinvent the wheel but rather ask themselves, ‘What do we have that can help us get what we want?’

4.8.3 Communication

Regeneration plans must be properly explained and marketed to the public. They must be packaged in a way that is immediately understandable. Tools like overlay zones are not about creating extra rights for its own sake. There are very clear requirements to access these rights.

Internal communication among the different actors is also key. Silos within the municipality pose a major challenge to institutional integration.

4.8.4 Outcomes

Urban regeneration outcomes must increase the poor’s access to the city. This can be supported by engineering the right ‘mix’ of residents and businesses. Getting the mix right ensures economic and social sustainability but it requires strong residential management.

4.8.5 Systems

In addition to entrepreneurial thinking, urban regeneration plans should be aligned with municipal planning processes (e.g. use of cluster). They should also maximise the use of government assets.
DAY 2

Day 2 was directed at testing the implementation framework of the IMU against a prioritised inner city precinct requiring urban regeneration.

4.9 PARK STATION PRECINCT - QUALITY AND CONDITION

Presentation by Zanele Malusi

The Park Station precinct was selected as the site for NASHOs social housing and urban regeneration pilot project in Johannesburg.

The Park Station precinct comprises a 1km radius that extends to the East of the train station as there is already an established precinct to the West. Within the precinct are a number of buildings owned by the inner city property scheme.

Within the precinct two clusters were identified where the project could focus. One of the clusters was said to have the highest level of muggings in Johannesburg. At the time of the workshop, the precinct borders were still flexible and the importance of finding the right cluster was emphasized.

The precinct is also near Joubert Park. However, this asset cannot be leveraged due to what one workshop participant coined the ‘crocodile strip’ - a series of poorly managed public works buildings that impede on residents access to the park. The Johannesburg Art Gallery, situated next to Joubert Park, is another under utilised asset. Formalising the edges of the park would also start to change the way people use it - potentially transforming Joubert Park itself into a safer area. But it must not be forgotten that neighbourhood stabilisation is the result of both physical development and good management.

Illegally occupied buildings present the largest bottleneck to regenerating the precinct. A precinct wide approach is necessary to empty these buildings since history shows that building by building evictions are ineffective. Yet lack of TRAs is stalling the process. Processes such as Blue Moonlight must also be improved upon. An important distinction must also be drawn between legal action to evict building residents and legal action to access the building to refurbish it.

After further discussion, workshop participants concluded that there is an enormous knowledge shortfall about the precinct and surrounding area. Moreover, there isn’t a sharp enough analytical framework that would ensure that the right data be collected.

It was however agreed that it would be useful to develop a database of private operators in the area and that this could be a task initiated by institutions like eKhaya. Buildings should also be categorised in terms of their state and whether or not they are occupied to better determine the appropriate mode of intervention.

Another concern was raised regarding incentivising to turn commercial buildings into residential ones and vice-versa. This is of particular concern given that overlay zones are not designed to convert housing into other uses, but other uses into housing.
4.10 REGENERATING PARK STATION: MEANS AND MECHANISMS

Group discussion

Successfully regenerating the Park Station precinct means overcoming several obstacles as identified and summarised in this report. Through group discussions, mechanisms were elaborated on to address each one.

4.10.1 Dealing with Evictees

Presently, there is no well-developed system that facilitates the repossession of hijacked buildings while ensuring that each actor’s responsibilities are fulfilled. Further, current frameworks don’t assist with the costs of fulfilling those responsibilities. This raises questions such as: Does the cost of reclaiming a building effect the value of the property? Who will pay for the cost of re-housing an evicted population? Will it be the developer? Will the city manage this process?

Constitutional and legal confusion is widespread. The provincial Evictions Act prevents eviction without due process. This has been interpreted as meaning that you cannot create a situation of homelessness without creating a parallel housing option or solution. Often it’s a case of relocating people en masse in temporary or transitional accommodation. But temporary accommodations tend to become permanent.

The principal tool tested to date was the Blue Moonlight process. Blue Moonlight sought to determine what kind of shelter intervention would most suit each individual evictee - in most cases people with limited (or close to no) means.

The first step was to count the people on site and take their names and subject them to a profiling system checked against a national database to see what kind of assistance they are eligible to receive (e.g. ESP). Two thirds of the people surveyed reported no income and were thus placed in a homeless shelter supervised by social workers. Thirty-five individuals took up court-appointed housing.

Transitional shelter models are relatively pricey (R2.3 million for 110 places including all social services). Other solutions should be explored including the provision of rental accommodation. Initially, it was believed that a good option would be to take a vacant warehouse, fill it with beds, and outfit it with communal kitchens and bathroom facilities, and charge people R10 or R20 per night. Another option is to use directed subject subsidies, however this is also very costly.

What is needed is a suite of options supported by a clear action plan endorsed by the court, communities and the world, otherwise it creates a whole range of precedents leading to chaos.

Community relations are another factor to take into account during this process. Community benefit agreements - a signed contract between community representative and a developer - are worth exploring further. However, what constitutes a legitimate community representative will need to be better defined.

4.10.2 Intervention and Attachment Processes

The municipality actively reclaims hijacked or ‘bad’ buildings. However, there is little alignment between the attachment process and the uses envisioned for the building within the whole of the precinct.
To address this, there needs to be greater coordination among the role players who are currently operating in silos. The first step towards achieving this is to identify the role players. In this case, the role players include several municipal departments: revenue, credit control, Region F, urban management, housing, bad building tactical team and economic development. While all these actors will need to be approached and engaged for the successful redevelopment of the precinct, a manager or steering group will also need to be identified to lead the pilot project. In addition, public consultations should take place as the community is also an important actor.

Another area needing greater coordination and strategising is intervention in bad buildings. Before looking at acquisition methods or potential buyers, sellers and expropriation processes, an inventory or database must be established to store information. Specifically, the database should capture building ownership, occupancy, state, surrounding vacant land, existing formal residential developments etc. What’s more, there should be an environmental scan to determine the activities in the area and how well the different aspects of the area are functioning.

This information should be used to report back to all the role players who must then develop a coherent proposal on how to approach the cluster. TRAs must also be a part of this proposal.

4.10.3 Attracting External Private Investment

IMU precincts require the participation and investment of the private and commercial sectors. Yet the IMU approach is driven by the need to address a housing backlog. It creates incentives for residential development but is less strong on how its going to help formalise commercial activities. Is it expected that stabilising the residential situation will automatically fix the commercial part of the equation?

The question then becomes how to attract external private investment given that there are many areas around Johannesburg in which to invest - from Hillbrow to Sandton.

4.10.4 Mobilising Municipal Assets

A consensus was reached that there is a need to unlock the value of municipal assets and to garner income for city, not just the housing sector. This will require strong governance, law enforcement and sound management. There should be sanctions if a service is not rendered. Clarity is needed around the conditions to access municipal assets.

5 CONCLUSION AND WAY FORWARD

It was agreed that if the IMU was properly structured and resourced it could make a significant contribution to housing driven urban regeneration. It could also use the government financing of social housing to encourage the initial investments that would help stabilise precinct areas, reducing the risk for further private investment directed at for-profit rental and eventual sectional title developments.

The success of the IMU is very dependent on ensuring that the programme elements are properly planned and agreed. The issues identified during the workshop could help inform and guide this preparatory structuring.

It was agreed that the planning group that had worked together during this workshop should continue as a task team to provide support to the key staff in the City of Johannesburg tasked with preparation and implementing of the IMU.
## F APPENDICES

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