

ASSESSMENT OF THE INTEGRATED RESIDENTIAL DEVELOPMENT PROGRAMME (IRDP) AND ITS IMPACT ON SPATIAL TRANSFORMATION





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ABBREVIATIONS

AFR Assessment Findings Report

AFHCO Africa Housing Company

BNG Breaking New Ground

CoJ City of Johannesburg

CoGTA Cooperative Governance and Traditional Affairs

EPWP Expanded Public Works Programme

FLISP Finance Linked Individual Subsidy Programme

GPF Gauteng Partnership Fund

HDA Housing Development Agency

IRDP Integrated Residential Development Programme

JHC Johannesburg Housing Company

LED Local Economic Development

NHBRC National Home Builders Registration Council

RDP Reconstruction and Development Program

ROI Return on Investment

SAPOA South African Property Owners Association

SHRA Social Housing Regulatory Authority

SHI Social Housing Institution

SROI Social Return on Investment

TUHF Trust for Urban Housing Finance

UMP Urban Management Plan

ASSESSMENT FINDINGS REPORT (AFR)

A. INTRODUCTION

The AFR forms the basis of the second phase deliverable for the exercise. It aims to provide key insights and results established from the stakeholder engagement sessions that were conducted as well as the assessment of the four IRDP projects, namely, Fleurhof, Lufhereng, Malibongwe Ridge and South Hills. In undertaking the second phase, UrbanStrat Consulting established three sub phases, stakeholder engagement and project assessment. The report will provide details pertaining to the methodology of the stakeholder engagement, the project assessment and conclude with the findings of the process.

B. SCOPE OF WORK

- Undertake to answer the following questions:
 - To what extent have all the elements of IRDP been implemented in the respective projects (effectiveness)?
 - What is the scale, and number of units and detailed mix of each project? A detailed project list is to be prepared .
 - What is the level of social, educational, economic and health amenities provided in each project?
- What forms of funding arrangements were utilised in the development of the projects and have these been efficiently utilised?
 - Which subsidies and grants instruments have been used to deliver on IRDP projects?
 - What mix of private and public funding made projects viable?
 - What is the nature of cross subsidisation in each of the projects and what conditions make for effective cross-subsidisation?
 - What is the return on Investment from each project?
- To what extent are the projects achieving the impact of the IRDP as articulated in the Theory of Change? Are there demonstrable impacts on households? What are the impacts to the city of Johannesburg?
- Are the projects delivering sustainable spatial transformation outcomes? (sustainability)
 - What is the performance of IRDP projects post occupation including resident uptake, private

sector downstream participation and Social Housing Institution (SHI) involvement?

- What are the programme and policy lessons from the projects?
 - How can the IRDP programme be strengthened?
 - Are there any changes needed to the Theory of change?
- Update the Theory of Change clearly articulating and depicting the interdependencies and preconditions, pathways to change and assumptions of the programme and produce an IRDP logical framework.
- The appointed consultant is to document the outcomes, challenges and practical recommendations for the enhancement or improvement of the implementation of the programme.

C. ASSESSMENT METHODOLOGY

The assessment methodology is based on the key outcomes of the study. The outcomes are defined as follows:

- Goal 1:** Identify the forms of funding arrangements utilised in the development of the projects and assess if they have been efficiently utilised
- Goal 2:** Identify the level of social, educational, economic and health amenities provided in each project
- Goal 3:** Assess the impact of the IRDP as articulated in the Theory of Change
- Goal 4:** Update the Theory of Change clearly articulating and depicting the interdependencies and preconditions, pathways to change and assumptions of the programme and produce an IRDP logical framework.
- Goal 5:** Discuss the performance of IRDP projects post occupation including resident uptake, private sector downstream participation and Social Housing Institution (SHI) involvement
- Goal 6:** Identify the outcomes, challenges and practical recommendations for the enhancement or improvement of the implementation of the programme.

The study process involved developing an Inception Report with an associated project plan, in Phase 1, to guide the execution of the study.

The assessment methodology is geared to addressing the elements contained in goals 1 through 4 as the key component of the deliverable for phase 2.

An initial Project Preparation element was included in Phase 2 and contains the following:

- o Information gathering and data collection on spatial transformation
- o IRDP project information and data
- o Preparation of stakeholder engagement questionnaire
- Stakeholder Engagement
 - o Key identified stakeholders
 - o Interview sessions with identified stakeholders
 - o Collation of stakeholder inputs and feedback
- Project Assessment
 - o Sites visits to identified projects
 - o Each project will be assessed utilising an assessment matrix developed by UrbanStrat Consulting
- Draft Report Compilation
 - o Synthesis from the stakeholder engagement process and the project assessment into a single draft report for review by the Client

D. STAKEHOLDER ENGAGEMENT

The stakeholder engagement component was noted to be a vital component of the study to garner key insights, inputs and knowledge around spatial transformation. The stakeholder engagement process was as follows:

- key stakeholders identified with guidance from the HDA
- agreed list of stakeholders
- one-on-one interview sessions with identified stakeholders
- information requests and collection

The stakeholder engagement involved conducting interviews with individuals, departments and entities across the spectrum of the affordable housing sector. It included institutions and organisations that are involved in the affordable residential sector and the built environment.

The table on the following page indicates the stakeholders that were engaged with for the purposes of the study.

The process of one on one interview sessions provided its own challenges by way of scheduling and availability of the identified stakeholder.



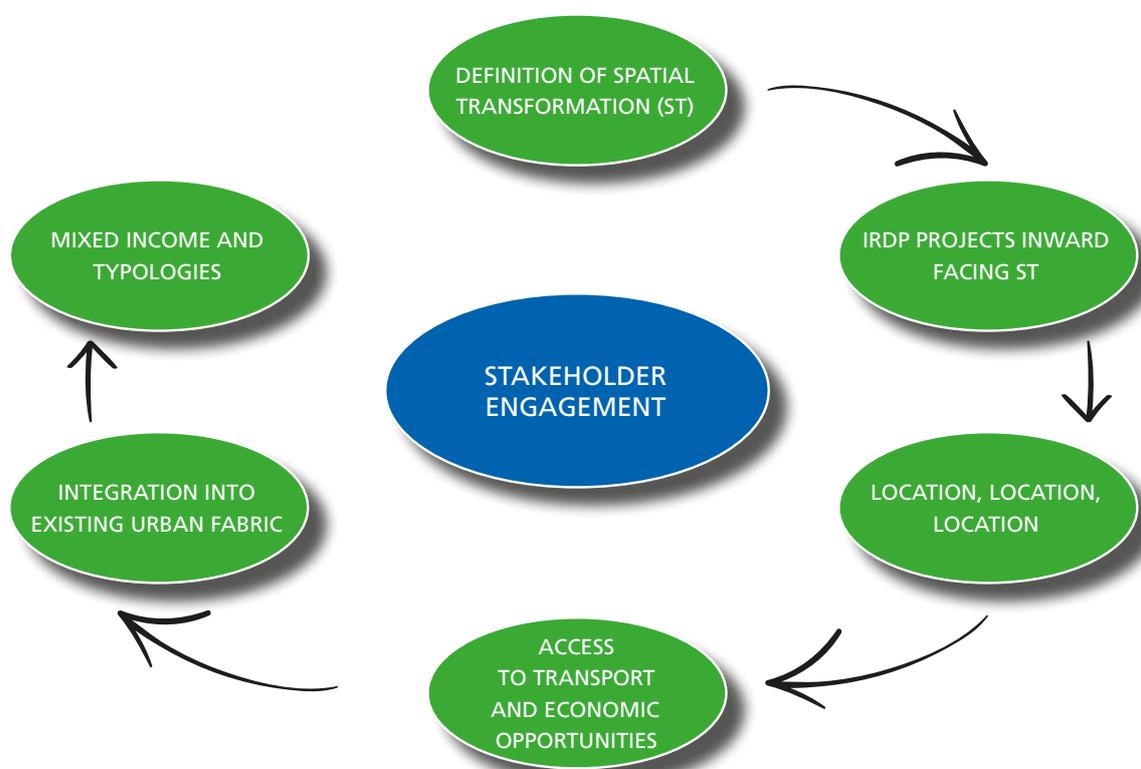
FIGURE 1: STAKEHOLDER ENGAGEMENT PROCESS

TABLE 1: STAKEHOLDERS

ORGANISATION	STAKEHOLDER	DATE OF ENGAGEMENT
Calgro M3	Mr. Ben Pierre Malherbe	22/02/2017
SAPOA	Mr. Neil Gopal	09/03/2017
TUHF	Mr. Paul Jackson	06/03/2017
WITS university	Prof. Sarah Charlton	02/03/2017
WITS university	Dr. Margo Rubin	24/02/2017
CAHF	Ms. Adelaide Steedley	24/03/2017
Gauteng Planning Division	Mr. Josiah Lodi	07/03/2017
Department of National Treasury	Mr David van Niekerk	30/03/2017
WITS university	Prof. Marie Huchzermeyer	09/03/2017
CoJ Development Planning	Mr. Dylan Weakley	10/03/2017
Gauteng Planning Division (IDP Unit)	Ms. Estee Campher and team	23/03/2017
National Department of Human Settlements	Mr. Louis v.d. Walt	22/03/2017

The stakeholder engagement process aimed to elicit views, experiences, insights and knowledge from a range of sector experts in the field and answer the posed questions for

the study. The wide range of inputs received have been synthesised to indicate the key themes that were prevalent during the stakeholder engagement sessions.



KEY QUESTIONS RAISED

- What does Spatial Transformation mean for human settlements?
- Is it a crucial factor for Human Settlements?
- Given the delivery scale of IRDP projects, can spatial transformation be achieved?

FIGURE 2: STAKEHOLDER ENGAGEMENT SYNTHESIS

The stakeholder engagement further established the following key sentiments from the various respondents:

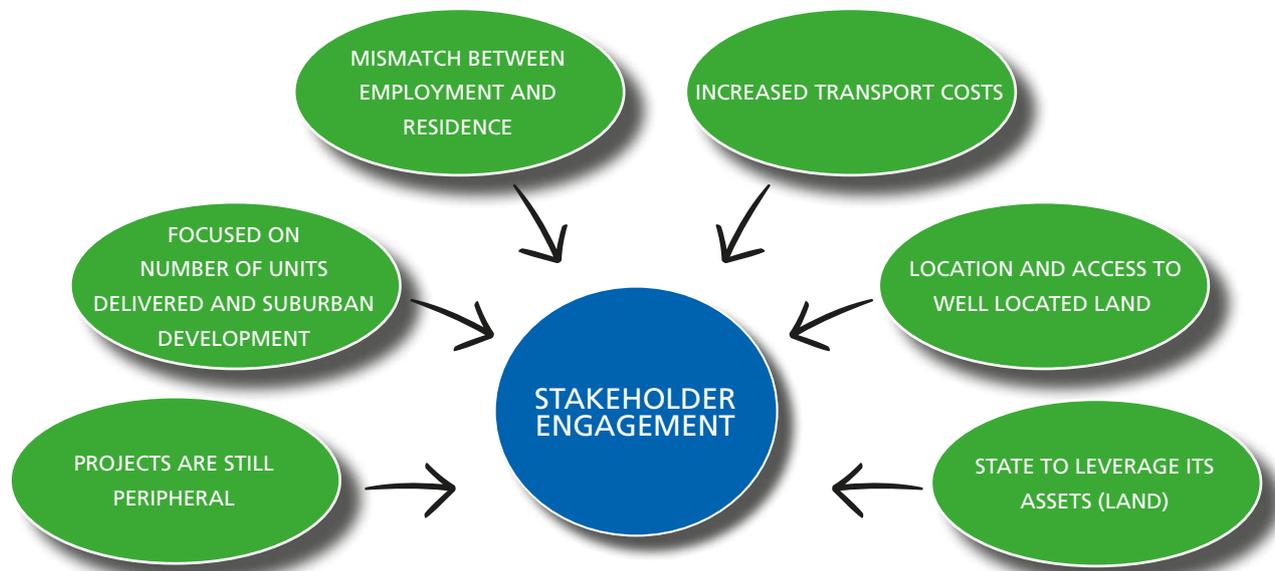


FIGURE 3: ENGAGEMENT COMMENTS

KEY COMMENTS

"Is spatial transformation in human settlements just about mixed uses and delivery or can it be a tool for urban land reform?" *Paul Jackson CEO of TUHF*

"Spatial transformation for whom?" *Josiah Lodi, Gauteng Planning Division*

"Economic transformation has not coincided with spatial transformation. It's a longer development process and negatively impacts on human settlements." *Neels du Toit, Gauteng Planning Division*

"Spatial transformation for human settlements needs to tie-in with the broader national transformation agenda." *Stacey-Leigh Joseph, South African Cities Network*

"IRDP projects negate spatial transformation and exacerbate sprawl by focusing on quantity and not quality." *Dylan Weakley, CoJ Planning*

"If spatial transformation replicates segregation then it's not spatial transformation." *Marie Huchzermeyer, WITS University*

Within the context of the stakeholder engagement it became evident that Spatial Transformation as a concept has varying interpretations and definitions. The term and the concept is **viewed as being broad and vague and thus for the purposes of the Human Settlements sector, should be clearly defined.** An element that was raised during the stakeholder engagement process was that the identified projects and many others of similar kind in the country, **"are called IRDP projects but this is inaccurate as these projects are not IRDP projects as the Municipalities are not the developers and in most cases the land for the development is not owned by the Municipality but rather by the developers."** (National Department of Human Settlements, March 2017)

This raises the question of whether the **projects identified as IRDP are correctly such and whether the programme is being implemented according to the policy** prescriptions of the National Housing Code.

The stakeholder engagement revealed varying responses in terms of the identified projects for the study. The locational context, scale and delivery of the projects elicited responses that indicate varying degrees of spatial transformation.

The following key elements were established during the stakeholder engagement:

LUFHERENG	FLEURHOF	SOUTH HILLS	MALIBONGWE RIDGE
<ul style="list-style-type: none"> • peripheral development • too far from the city • promotes urban sprawl • not indicative of spatial transformation • transports costs high • high cost for residents to seek economic opportunities 	<ul style="list-style-type: none"> • good example of spatial transformation • use of previous buffer zone to integrate two parts of the city • design and typologies promote compaction and densification • access to economic opportunities and public transport • integrated into existing urban fabric • mixed use and typologies 	<ul style="list-style-type: none"> • good example of spatial transformation • spatial transformation by design by CoJ • promotes compaction and densification • integration with existing urban fabric • locational proximity to inner city (11 minutes from inner city) • mixed use and typologies 	<ul style="list-style-type: none"> • peripheral project • an extension of Cosmo City • does not promote spatial transformation • integrates into existing IRDP project • distant from the city centre • caters for expansion needs of Cosmo City • provides mixed uses and typologies and includes backyard structures

FIGURE 4: PROJECT COMMENTS

From the views and inputs garnered during the stakeholder engagement process it was evident that the four identified projects result in a graded hierarchy of contributing to spatial transformation in the CoJ.

Diagram 5 below represents the graded hierarchy mentioned above.

<p>SOUTH HILLS</p> <ul style="list-style-type: none"> • Designed by the CoJ for spatial transformation • CoJ owned land • Access to public transport, social and educational amenities and economic opportunities • Integration into existing urban fabric • Densification and compaction 	<p>FLEURHOF</p> <ul style="list-style-type: none"> • Re-use of previous buffer zone • Aids spatial transformation by integrating two previously segregated area • Access to public transport • Integration with existing urban fabric 	<p>MALIBONGWE RIDGE</p> <ul style="list-style-type: none"> • Limited impact on spatial transformation due to location of project • Access to economic opportunities • Integration into existing urban fabric of previous IRDP project 	<p>LUFHERENG</p> <ul style="list-style-type: none"> • Little to no impact on spatial transformation agenda • Peripheral project • Promotes urban sprawl • Limited access to public transport and economic opportunities
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FIGURE 5: GRADED HIERARCHY TOWARDS SPATIAL TRANSFORMATION

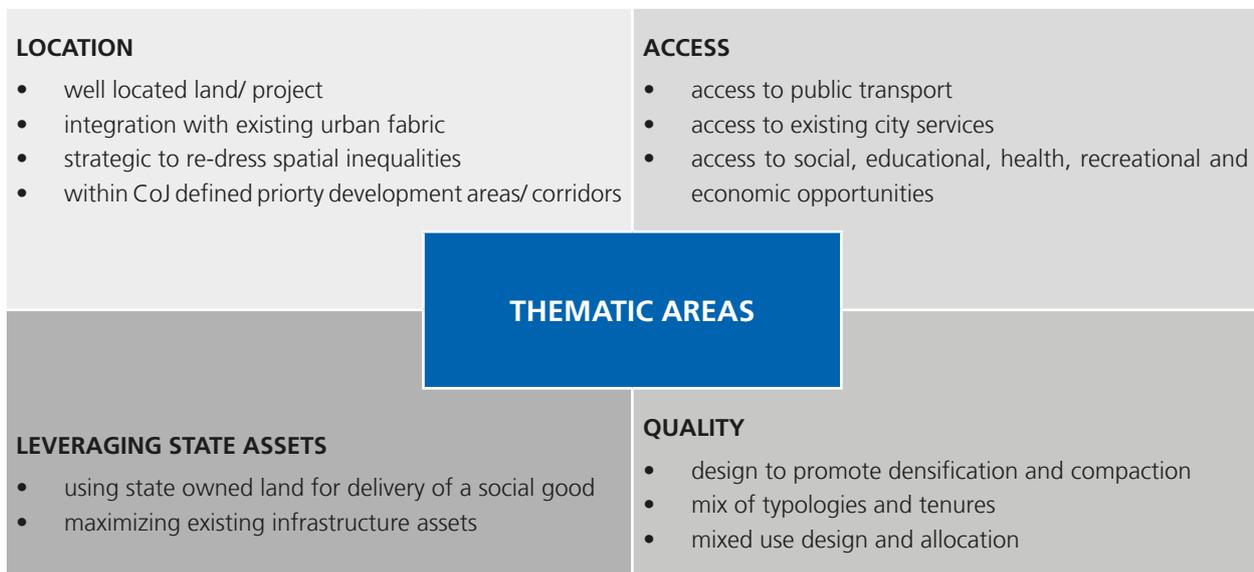


FIGURE 6: THEMATIC AREAS

The stakeholder engagement therefore resulted in a set of identified thematic areas that the respondents believe facilitates and enables spatial transformation in the human settlements sector. It was also evident that for the IRDP programme and the identified projects, that these thematic areas and measuring the projects against them were indicative of the level of impact the projects have on the city’s spatial transformation agenda.

E. SPATIAL TRANSFORMATION

Spatial transformation has been considered a broad concept within policies and literature. However, it has widely been defined as a **‘major change or restructuring’** (Turok, 2014:74), which can also refer to actions that reform while retaining the underlying power structures in order to minimise disruption and turmoil instead of pursuing fundamental change (Oranje, 2014). The main transformation objective has been **‘within the sustainable development trajectory, aiming to improve the quality in people’s lives by meeting “the need for inclusivity, mobility and access, economic development that drives local and national growth prospects and transforms space in a manner that is socially and environmentally sustainable”** (SPLUMA, 2015).

The concept has different meanings internationally and these definitions range from **“basic upgrading projects in a specific locality to large-scale regional policy intervention”** (SACN, 2015: 23). It is important to note that the international definitions do not suit South Africa due the varied context which has resulted

in the concept evolving in a particular way, given our needs to redress the outcome of the past (Oranje, 2014 in SACN, 2015). This finding has resulted in South African researchers fully engaging and grappling with the concept consequently concluding that it is complex and **“requires reinvention, re-imagination and exploration”** (Bickford, 2014:107 in SPLUMA, 2015).

Transformation can be viewed as **“a spatially defined, socially embedded process; [...] an interrelated series of materially driven practices, whereby the form, substance and overall dimensions of urban space are purposefully changed to reflect the principles of a more equitable social order”** (Williams, 2000: 169 in SPLUMA, 2015). Spatial transformation is a process that is used to **address the spatial legacy of apartheid hence it is imperative to look to the past, present and future when transforming the built environment.**

‘Spatial transformation of cities is not only about public investment but also the dynamics of private developments (SPLUMA, 2015). Mobility in the city is also important, as the ability of the urban population to navigate the city for work and social activities contributes towards overall growth and development’ (ibid.).

The Integrated Urban Development Framework (IUDF) (2014) is a response to the National Development Plan (NDP) chapter 8. In this chapter, the NDP states that South Africa should concentrate on the challenge of apartheid geography evident in terms of living, working, and environmental sustainability

(NDP, 2012). In achieving this vision, the IUDF stipulates that the country needs to sharpen its strategies and build the required capabilities consequently recommending the levers below which are directly related to achieving spatial transformation:

1. **Integrated transport and mobility**
2. **Integrated sustainable human settlements**
3. **Integrated infrastructure planning**
4. **Inclusive economic development**
5. **Efficient land governance and management**
6. **Empowered active communities**
7. **Effective urban governance**

(IUDF, 2014: 6).

SACN (2013) argues that in order to achieve spatial transformation in cities, there is a need for harnessing real changes in the physical realm as well as our truths and normative ideas. It is imperative for city planners as well as other stakeholders involved in spatial transformation to engage and understand people's needs, strengthen civil relations, build an evidence base indicating what and who we are planning for and lastly articulate the desired spatial outcomes (SACN, 2013).

"Although the lives of many have changed, especially through the delivery of more than three million housing

opportunities (The Presidency, 2014), the **significant public-sector investments have not resulted in more equitable, inclusive and integrated cities**. The **spatial location of state-funded housing projects continues to marginalise the urban poor**, while public healthcare and education have not translated into improved educational and health outcomes for the majority of citizens." (State of the Cities Report, 2016).

Against this backdrop, the concept of spatial transformation in relation to human settlement and delivery is critical for ensuring that the public investment is directed towards furthering the national spatial transformation agenda.

The SACN, through the State of Cities Report 2016, further notes that quality urban environments contain the elements as shown in Figure 7.

In noting the tenets expressed during the stakeholder engagements and the research on the definition of spatial transformation it is evident that there is a common thread that carries through the sector towards impacting on spatial transformation.

In conducting the exercise, UrbanStrat has developed the following scoring tool that will be used to evaluate the four identified projects and their impact on Spatial Transformation.

ACCESSIBILITY	Residents can easily and affordably access different parts of the city and different services.
MIX OF LAND USES AND INCOMES	This mix contributes to increased access, diversity and safety (because of the regular presence of activity at all hours), facilitates social mobility and changes the fabric of city life for the better.
QUALITY PUBLIC SPACES	Public spaces are a necessity, not a luxury. They consist of all spaces used by the public (from large elaborate squares, to roads and pavements, public transport interchanges, parks, libraries and even government buildings) and should be safe, clean and accessible.
INNOVATIVE URBAN DESIGN	Successful urban design can contribute to a safe, accessible and vibrant mixed environment (e.g. Monwabisi Park10 in Khayelitsha, Cape Town) and improve communities where informal living and trade are a reality.
SAFETY	More active spaces and involved urban residents lead to better security, as does designing cities in order to optimise the safety of all. This covers road safety, emergency management, safety standards and building regulations, and educating residents and government officials.
INTEGRATION	Integrating the disparate parts of the city (particularly black townships) and land uses increases efficiency, quality and productivity, and recognises the interconnectedness of formal and informal trade.

FIGURE 7: SACN URBAN ENVIRONMENTS

TABLE 2: SPATIAL TRANSFORMATION SCORING TOOL

SPATIAL TRANSFORMATION THEMATIC AREA	SPATIAL TRANSFORMATION INDICATORS	IRDP PROJECT			
		FLEURHOF	SOUTH HILLS	LUFHERENG	MALIBONGWE RIDGE
Land	Well located, affordable land based on the housing demand/ needs analysis that is suitable for human settlement development and the progressive upgrading of informal settlements				
	The use of State Owned Land for human settlement development and the progressive upgrading of informal settlements				
	Land that meets the strategic priorities of the human settlements mandate and that can be used to catalyse private sector investment at a precinct and/or regional scale				
Integration	Access to Transport Systems (public transport and transport networks) that allow residents to move freely between different parts of the City				
	Access to Health, Educational and Recreational amenities and services that promote sustainable communities and neighbourhoods				
	Integrating the disparate parts of the city including marginalised areas that redresses the existing spatial legacy				
	Integration with existing urban fabric and existing infrastructure				
Economic Development	A dedicated Local Economic Development Plan that promotes localised economic development throughout the project life cycle				
	Identification of Economic Sites for sustainable economic development				
	Access to Economic Opportunities through the provision of economic sites and services at project and precinct level				
	Access to informal economic opportunities through the provision of sites for informal economic integration (informal trading areas, taxi ranks)				
Transversal Alignment	Alignment with the National DHS strategic objectives contained in the Medium Term Strategic Framework (MTSF)				
	Alignment with the Provincial strategic objectives contained in the Provincial Growth Strategy				
	Alignment with the local government spatial plans such as the Integrated Development Plan (IDP), the Spatial Development Framework (SDF) and the Built Environment Performance Plan (BEPP) (BEPP is Metro Specific)				
Urban Management	A project specific Urban Management Plan (UMP) for the human settlement development				
	Urban Management Capacitation in terms of resource mobilisation and capacity of the municipality to provide urban management services over the life cycle of the development				
	Building and Precinct Maintenance Plan to promote sustainable neighbourhood development				
	Budget Provision for Urban Management and Maintenance (building and precinct level) over the life cycle of the development				
Quality	Innovative Urban Design that promotes inclusivity, efficient land uses and environmental and social sustainability				
	Densification and Compaction that promotes improved density across the development				
	Typology and Tenure Mix that provides a range of housing types and tenure				
	Common Level of Public Façade that promotes a single level of public treatment such as sidewalks, street lighting, landscaping and curbing				
Safety	Sites for SAPS and Emergency Services				
	Active Police Station, Fire Station				
	Safety/ Security Measures (perimeter fencing, private security services)				

SCORING

RATING	NO FULFILMENT OF INDICATOR CRITERIA	PARTIAL FULFILMENT OF INDICATOR CRITERIA	COMPLETE FULFILMENT OF INDICATOR CRITERIA
Score	0	1	2

F. IRDP PROJECT CASE STUDIES

The scope of works for the exercise required an assessment of the Integrated Residential Development Programme (IRDP) and its impact on spatial transformation in the four identified areas, namely Fleurhof, Lufhereng, Malibongwe Ridge and South Hills.

The selected projects include a mixture of the affordable housing sector in distinct locations within the City of Johannesburg. Each has its contributing attributes that make them unique but provide a broad spectrum of understanding spatial transformation.

FLEURHOF
<ul style="list-style-type: none"> • Located south west of Johannesburg next to the existing Fleurhof residential township • Total number of units 15 441 • 10 441 units in current phases with additional 5000 units in mine dump phase • BNG housing: 3 236 multi-storey units • CRU/Social housing: 1 334 multi-storey units • FLISP/GAP and rental housing: 3 719 multi-storey units • Bonded units: 2 122 units • 440 ha site • Privately owned property, developed in partnership with the CoJ • Value R4,068 billion
LUFHERENG
<ul style="list-style-type: none"> • Located 45km south west of Johannesburg • Close to Protea Glen and Soweto • Total number of units: 25 000 • BNG housing: 8 353 • Bonded and FLISP units: 8 353 • High density apartments: 6 188 • 1 830 ha site • Value R 6 Billion
SOUTH HILLS
<ul style="list-style-type: none"> • Located in the south of Johannesburg, 5km south of Johannesburg CBD • Total number of units – 6 204 units • BNG housing (multi-storey walk-up): 1 904 units • CRU/Social housing: 457 units • FLISP/GAP housing: 2 397 units • Freestanding open market bonded units: 1 446 units • Value R2,337 Billion
MALIBONGWE RIDGE
<ul style="list-style-type: none"> • Land: 164 ha, of which 112 ha is developed • 3510 FSH including attached rental units • 646 Finance linked units • 464 Bonded units • 894 High density residential units • Total: 5514 units • Value R1,2 Billion

FIGURE 8: IDENTIFIED IRDP PROJECTS

In understanding the affordable housing sector within IRDP projects it is important to provide a context of the typology of delivery within the sector and the conditionality applicable to each.

HOUSING TYPOLOGIES

TABLE 3 HOUSING TYPOLOGIES

HOUSING DELIVERY METHOD	TENURE OPTIONS	TYPLOGIES	INCOME GROUP	FUNDING MECHANISM
RDP	Free-hold Ownership/ Sectional title ownership	<ul style="list-style-type: none"> • Single storey detached • Single storey semi-detached • Single storey row housing • Duplex semi-detached • Duplex row housing • Cluster housing • Low-rise flats • Medium rise flats 	R0 – R3500	Fully subsidised
Social Housing	Rental	<ul style="list-style-type: none"> • Duplex semi-detached • Duplex row housing • Cluster housing • Low-rise flats • Medium rise flats 	R1500 – R7500	Partially or Cross subsidised
Open-market	Free-hold Ownership/ Sectional title ownership	<ul style="list-style-type: none"> • Single storey detached • Single storey semi-detached • Single storey row housing • Duplex semi-detached • Duplex row housing • Cluster housing • Low-rise flats • Medium rise flats 	R3500 – R15 000	FLISP
Open-market	Rental	<ul style="list-style-type: none"> • Single storey detached • Single storey semi-detached • Single storey row housing • Duplex semi-detached • Duplex row housing • Cluster housing • Low-rise flats • Medium rise flats 	R7000 – R 15 000	None
Private Rental	Rental / Free-hold Ownership/Sectional title ownership	<ul style="list-style-type: none"> • Single storey detached • Single storey semi-detached • Single storey row housing • Duplex semi-detached • Duplex row housing • Cluster housing • Low-rise flats • Medium rise flats 	R15 000 and above	None

(Gauteng Department of Human Settlements, 2016)

G. EFFECTIVENESS

In terms of assessing the effectiveness of the four identified IRDP projects the study will provide a synopsis of the key tenets of the IRDP within the National Housing Code. The four identified IRDP projects will be assessed in terms of the key tenets and the level of incorporation of those tenets into the overall design and construction of the project.

IRDP POLICY TENETS

The Integrated Residential Development Programme (IRDP) was initiated to facilitate and guide housing development that occurs in well-located areas that provide convenient access to urban amenities, including places of employment (National Housing Code, 2009). In terms of the National Housing Code (2009) the IRDP replaced the Project Linked Subsidy Programme to mitigate against the development of housing that was centered only on subsidised housing without integrating a mix of typologies, tenure types, incomes and a range of amenities.

The IRDP provides a tool for the planning and development of integrated human settlements that include all the necessary land uses and housing types and price categories to become a truly integrated community.

By providing a mix of typologies and income ranges including subsidised, partially subsidised and bonded units in a defined project, the IRDP can deliver housing at scale and facilitate economies of scale. Further, the mix of units allows the IRDP to enable inclusionary housing developments.

The IRDP allows for housing development to be done in a:

- **Planned; and**
- **Phased Approach**

The key policy tenets of the IRDP can be summarised as shown in Figure 9 below.

The application of the IRDP indicates that the programme may be applied as follows:

- A project that is undertaken in an area where unoccupied vacant land is developed for an integrated Human Settlement; or
- An integrated Human Settlement project is undertaken in an existing township where an undeveloped parcel of land is utilised for development purposes.

Furthermore, the National Housing Code (2009) notes that to deliver housing projects at this scale the project may require the following:

- A developer to manage the total development process and to administer projects in terms of the provisions of the Programme;
- And where the Municipality or the Provincial government lack the capacity, private professionals can be procured to provide the services required, including construction

The IRDP stipulates that the developer can either be a Municipality or a Provincial Department

The stipulation of the role of the developer within the IRDP is an essential element for the effective implementation of the program.

IRDP					
Land acquisition where required	Township planning and municipal engineering services design	The provision of municipal engineering services	Township establishment	The sale of the stands not identified for subsidised housing created in the township	The construction of houses by registered contractors for housing subsidy beneficiaries

FIGURE 9 KEY IRDP TENETS

In assessing the four identified IRDP projects in terms of the tenets of the programme the following was established:

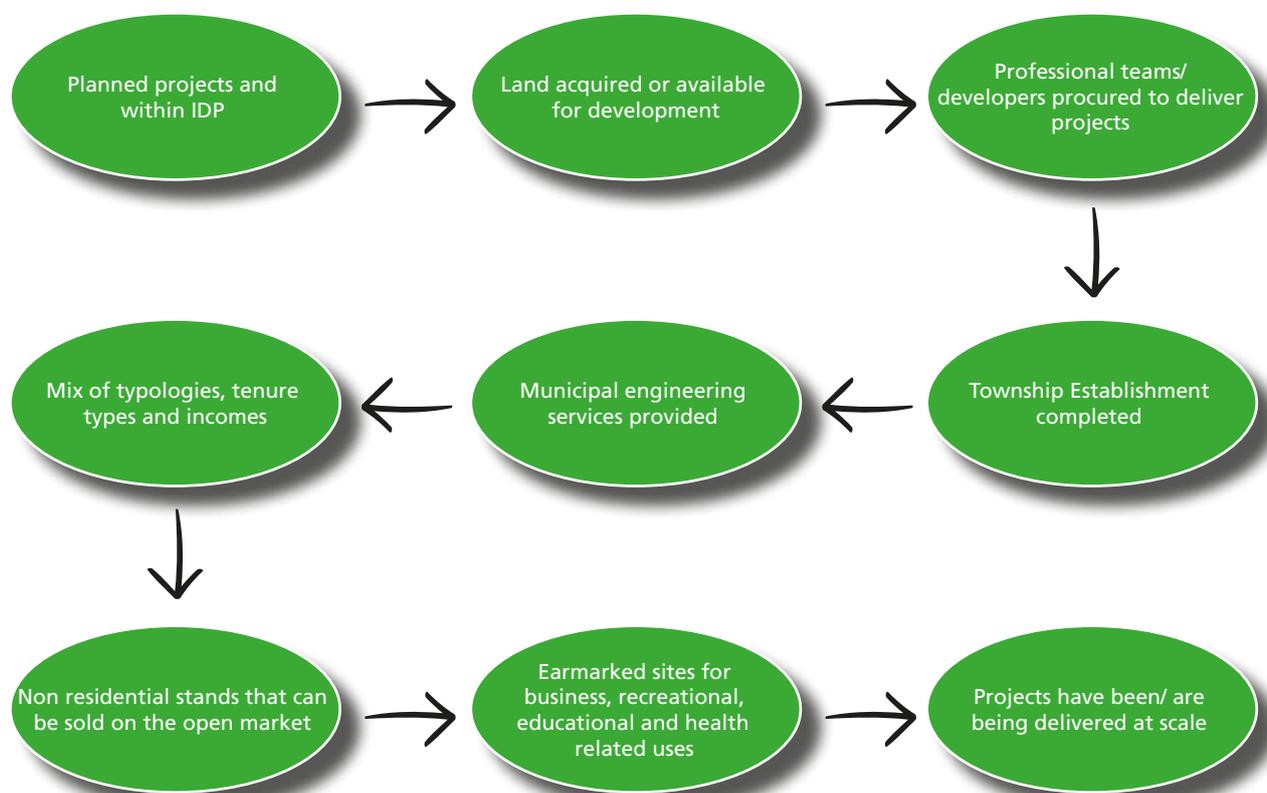


FIGURE 10 IRDP VALUE CHAIN

It is evident that the four identified IRDP projects have ensured that the tenets of the National Housing Code and the programme have been or are being implemented within the projects. Noting the prescriptions in the programme and the scale of the projects and the pressures to deliver at scale it would seem that the identified projects have met the necessary requirements.

Engagement with the National Department of Human Settlements (DHS), the study revealed that the identified projects have not met the requirements of the programme in its entirety. The DHS has indicated that the four identified projects albeit demonstrating a large degree of compliance with the tenets of the programme there are areas of the programme that have not been adhered to.

The engagement with the DHS revealed the following shortcomings of the IRDP projects:

- **The identified projects albeit utilising the IRDP of the national housing code cannot be classified as IRDP projects;**
- **The projects have the key characteristics of the**

Project Linked Subsidy Program which the IRDP replaced;

- **The Municipality or the Provincial Department is not the developer and the land acquired or used for the projects was not the City's or state-owned land;**
- **The procurement tenets and processes used for the projects are not aligned to the tenets of the IRDP;**
- **The medium to higher density fully subsidised (RDP) units being developed in Fleurhof and South Hills are not within the prescriptions of the National Housing Code**

The engagement with the City of Johannesburg's department of Housing, Project Support Unit, indicated that the concerns raised by the DHS are with merit in reference to the four identified projects. The project support unit indicated that the only project that can be ideally classified as an IRDP project is South Hills. It is noted that the RDP typology being developed and delivered is outside the parameters of the National Housing Code but all other aspects of the project meet the criteria of the IRDP.

The engagement indicated that:

A comparison of the other projects in the study revealed the following:

<p>SOUTH HILLS</p>	<ul style="list-style-type: none"> • The project was conceptualised, planned and packaged by the CoJ • The land acquired for the project was municipal owned land (former open space/ park) • CoJ specified the mix of typologies, incomes and uses • The CoJ developed a Land Availability Agreement (LAA) and put the project out to open tender to procure a turn key service provider (Standard Bank who appointed CalgroM3 as the implementing agent)
<p>FLEURHOF</p>	<ul style="list-style-type: none"> • Project was not planned by the CoJ • Land was acquired and owned by CalgroM3 • Project was conceptualized and developed by CalgroM3 • CoJ retrospectively partnered with CalgroM3 to have project developed • Municipality is not the developer
<p>MALIBONGWE RIDGE</p>	<ul style="list-style-type: none"> • CoJ was not originally the owner of the land - subsequently acquired • Project viewed as an extension to Cosmo City • Mutually agreed upon between CoJ and Basil Read to develop project as part of Formalization of Informal Settlement Program • Municipality is not the developer - Basil Read is the developer and responsible for procurement of professional services • Contracting conducted by CoJ Planning and not CoJ Housing • RDP typology outside of National Housing Code parameters and outside subsidy quantum
<p>LUFHERENG</p>	<ul style="list-style-type: none"> • Conceptualised Gauteng Department of Human Settlements • CoJ owned land • SPV - LufherengDevelopment Company formed • Delivery options analysed to ensure best delivery method - private delivery agent appointed • Intergovernmental challenges around funding • CoJ is not the developer

FIGURE 11 PROJECT COMPARISON

The assessment further established that the identified projects each present alternate methods around the conceptualization, planning and inception processes. Additionally, that **each project does in fact adhere to the basic tenets of the IRDP but the scale, location, context, procurement and contracting arrangements for each project differ according to a set of negotiated parameters between the CoJ, the Gauteng provincial department of human settlements, developers and financial institutions.**

Noting the outcome of the assessment in terms of the IRDP implementation, the methodology and specific contracting arrangement between the parties mentioned was not disclosed to the service provider. The method of ensuring procurement compliance and IRDP compliance is an element that the HDA may have to be granted access to. This is an element that the HDA, in the role of a developer, needs to engage with to better understand the process and compliance mechanisms.

H. IRDP FUNDING

An integral component of the successful delivery of IRDP projects centres around the funding arrangements and fiscal flows. The assessment of the four identified projects established that this played a vital role in the ability of the delivery and implementing agents to deliver.

The IRDP in the National Housing Code stipulates that **IRDP projects can be funded through the applicable funding policy as determined by the MEC in line with the funding policy approved by MINMEC.**

In so doing an IRDP project can have its total project cost funded and the MEC will consider the following aspects in doing so:

- **Internal municipal engineering cost:**
 - o Where municipal engineering services are to be funded from the housing allocation to Provinces the services costs include all the costs related to the creation of serviced stands for the project area. This cost includes the costs in respect of township design, the design of the services, the incremental installation of the approved services and supervision/project management. The following may be developed under this Programme:
 - **Residential stands for housing subsidy scheme beneficiaries;**
 - **Stands for non-housing subsidy scheme beneficiaries;**
 - **Residential stands for higher income categories;**
 - **Stands for commercial and/ or business use;**
 - **Institutional stands – schools, police stations etc.; and**
 - **Stands for higher density scheme, etc.**
- The **cost of township establishment may also be funded.** The allocation and sale of the stands created under the programme will be directed by the nature of the stands and the profile of the beneficiaries. The principle of **“the stand input cost” is also introduced and includes:**
 - o **The land acquisition cost;**
 - o **The cost of providing the basic municipal engineering services where such were funded from the housing allocation;**
 - o **The cost related to the township establishment**

process; and

- o **Any applicable transfer costs.**
- **The housing construction phase:**
 - o In this phase, **the costs incurred are for house construction for qualifying beneficiaries.** In respect of households that will be assisted through the application of any of the other National Housing Subsidy Programmes, the cost structure of the relevant programme will determine the actual total project cost.
- **Total project cost: The total project cost will therefore be determined on the following basis.**
 - o **The cost of the provision of municipal engineering services where such are funded from the housing allocation to provinces as determined by MINMEC funding policy; and**
 - o **The cost of construction of the houses under this programme for qualifying beneficiaries.**
- In view of the phased nature of the Programme, the quantum of the housing subsidy amount to be allocated to households that qualify for stands and housing construction assistance will be determined by:
 - o The actual cost of the creation of the serviced stand within a specific construction contract as determined by the MINMEC funding policy; plus
 - o The applicable amount of the subsidy for the housing construction phase as directed by the subsidy quantum available on the date of signing the project agreement for the housing construction Phase; and/or
 - o The applicable cost structure of the relevant Programme, in respect of housing construction in terms of any of the other National Housing Programmes as on the date of approval of the housing construction project. (*DPME, Design and Implementation of the IRDP Report, June 2015*)

It was established that the funding protocols mentioned above were utilised for all the identified IRDP projects to ensure parity with the compliance requirements for the programme.

A key element in the funding arrangements for the projects was the use of the **Urban Settlement Development Grant (USDG) and the Human Settlement Development Grant (HSDG).** The USDG is a supplementary infrastructure capital grant allocated to municipalities

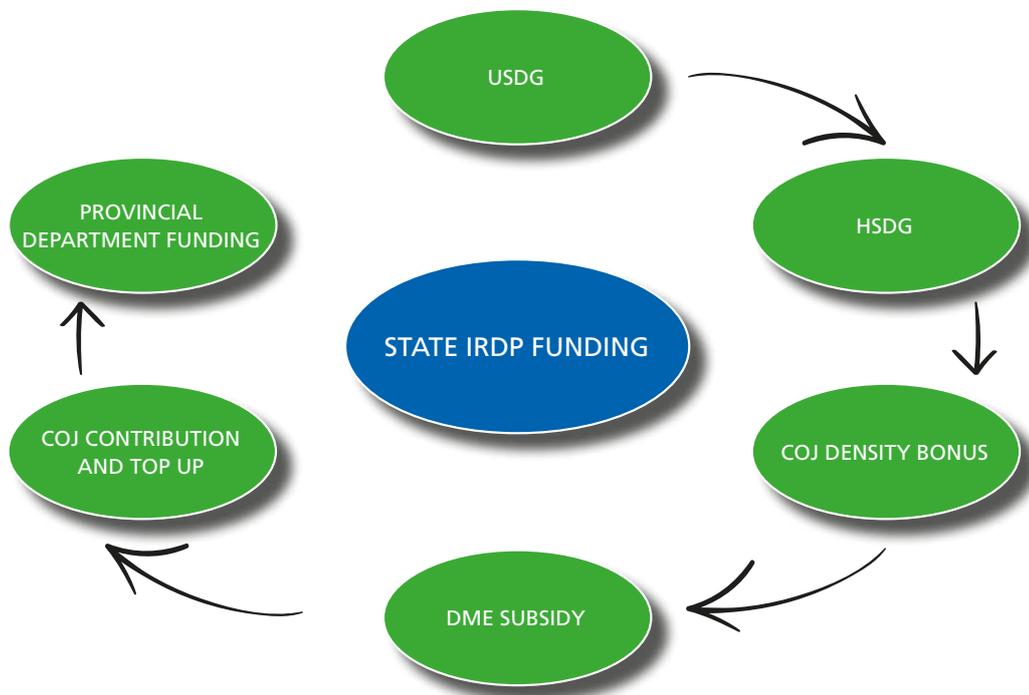


FIGURE 12 STATE IRDP FUNDING

for infrastructure and human settlement support, particularly the upgrading of informal settlements. Noting that the CoJ is a Metropolitan Municipality, the CoJ is eligible to receive the USDG funding stream to provide the financial resource for the provision of bulk infrastructure. Given the scale of the projects, the need for increased capacity and **the provision of bulk infrastructure was critical to the successful delivery of the projects.** During the stakeholder engagement process it was established that the USDG and the provision of bulk infrastructure are pivotal to

the financial viability of the projects.

The **HSDG is a conditional grant that is geared towards the construction costs of fully subsidised (RDP) housing units.** The HSDG provides the funding mechanism for the completion of top structures and internal services for the structure.

The state funding arrangements for the IRDP projects can be classified to include factors as shown above.

The financial viability of the four identified IRDP projects was

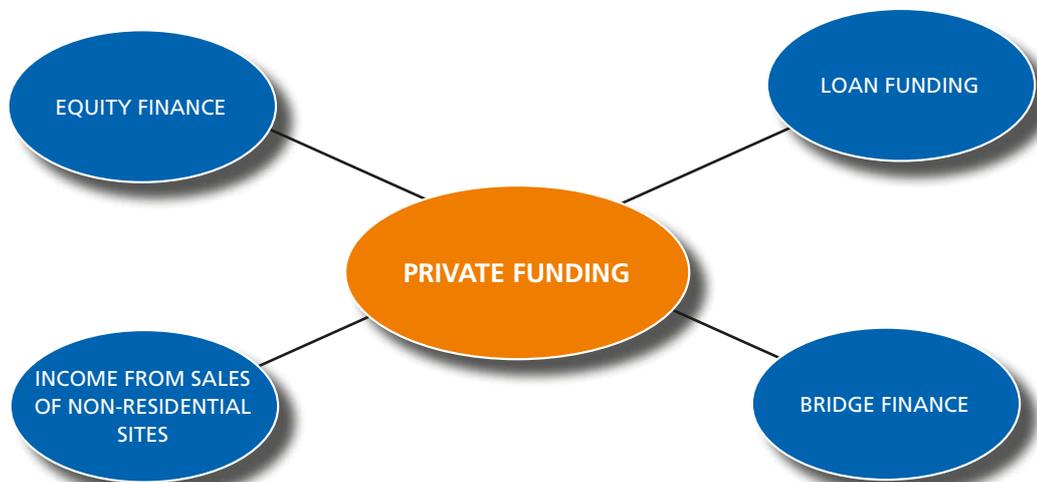


FIGURE 13 PRIVATE FUNDING SOURCES

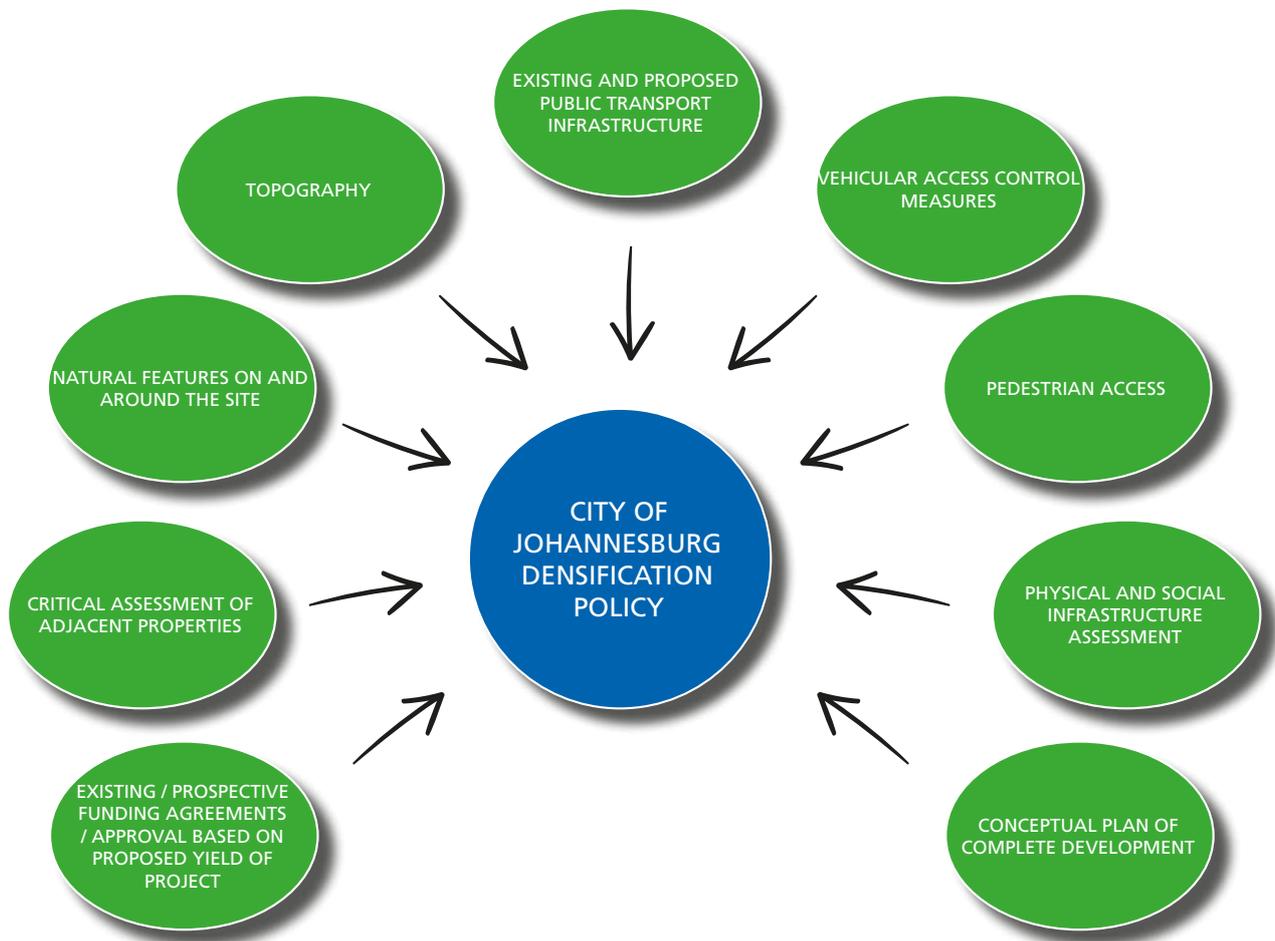


FIGURE 14 COJ DENSITY BONUS CRITERIA

also made possible due to additional funding sources. These include:

The assessment noted that, in order for the identified IRDP projects to be financially viable, it was important for the CoJ to **determine the correct mix of units, typologies and income bands**. Further that the CoJ, using the various grant funding mechanisms and the CoJ's own contribution, could provide value-add additional funding to ensure the projects' viability. The CoJ provided additional funding resourcing through **leveraging the density bonus applicable to projects and through the restructuring of the requirements of the services contributions** required. The density bonus is a project based bonus that can be applied to a project within the CoJ that meets certain criteria.

In terms of the services contribution, the engagement process during the assessment established that the CoJ restructures the requirements of the services contribution to aid the viability of the project. The restructuring is geared towards each project but the following is a key trend:

- **Services contributions are/can be foregone as a direct contribution to the CoJ but are to be re-invested within the project to improve the quality of the fully subsidised (RDP) product to be constructed or to provide a singular standard public realm interface across the project.**

It was therefore clear that regarding the funding arrangements for IRDP projects and the projects assessed for the study, that the combination of both public and

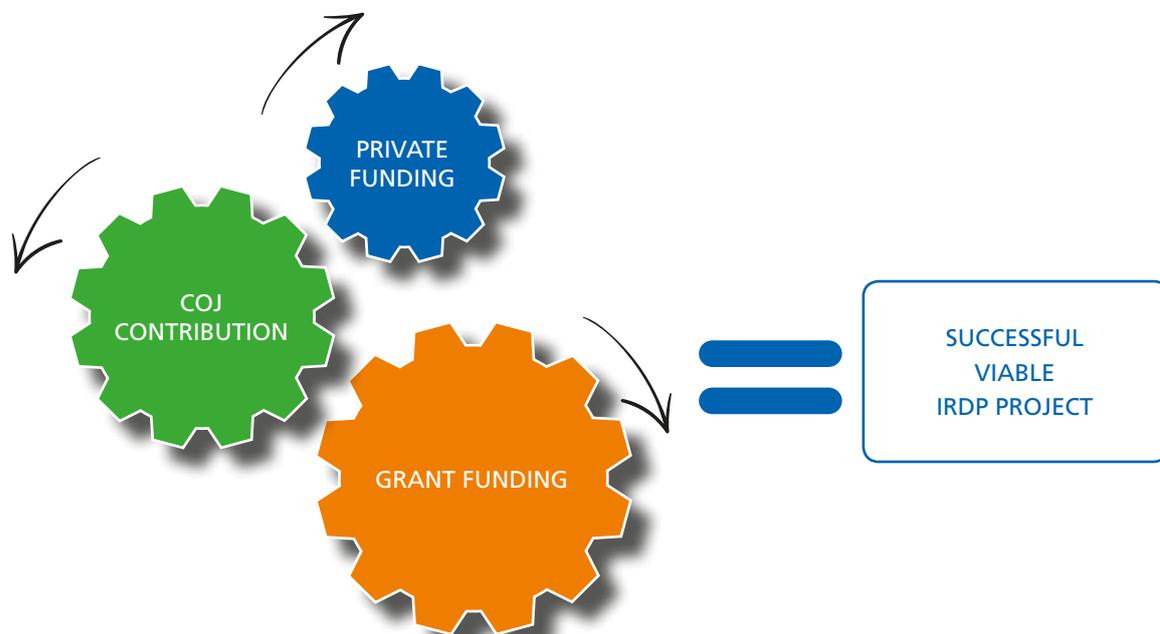


FIGURE 15 FUNDING ARRANGEMENT

private funding is the key to successful funding of the projects. Noting the combined funding, it was also evident that the use of the State’s grant funding mechanisms and the CoJ’s funding instruments and contributions, is pivotal to the success of the IRDP projects. Without such funding instruments the IRDP projects would not have been delivered.

I. THEORY OF CHANGE

The Theory of Change (ToC) as developed by the DPME in 2015, was the culmination of an evaluation of the national IRDP program. The evaluation process was conducted to determine whether the intended outcomes and outputs as envisaged in the IRDP have or are being met through the delivery of the program.

The study noted the evaluation conducted, the process involved and the tenets of the ToC and, in line with the assessment conducted of the identified IRDP projects, will determine if there are any changes or amendments that could be added to the ToC.

Theory of Change (ToC) sets out the components and logical process (“pathway of change” or “outcomes pathway”) required to bring about a desired impact (long-term goal). As the Centre for Theory of Change defines it, “a **Theory**

of Change defines all building blocks required to bring about a given long-term goal. This set of connected building blocks—interchangeably referred to as outcomes, results, accomplishments, or preconditions is depicted on a map known as a pathway of change/ change framework, which is a graphic representation of the change process.” The ToC describes the **types of interventions that bring about the outcomes depicted in the pathway of a change map (sometimes called a logic model or logical model)**. Each outcome in the pathway of change is tied to a specific set of outputs and inputs. The ToC should explain how **the application of specific resources results in specific outputs, which if implemented correctly under specific assumptions would result in specific outputs** (which could range between immediate-intermediate or long-term outcomes) which if achieved would have an impact (i.e. enable the programme to reach its long-term goal). (DPME, *Design and Implementation of the IRDP Report, June 2015*)

In conducting the evaluation, the DPME noted that the log frame and programme logic of the IRDP provides ultimately for integration and a mix of uses, typologies and income bands.

In noting such, within the programme logic the DPME established the following log frame to represent the ToC of the IRDP evaluation.

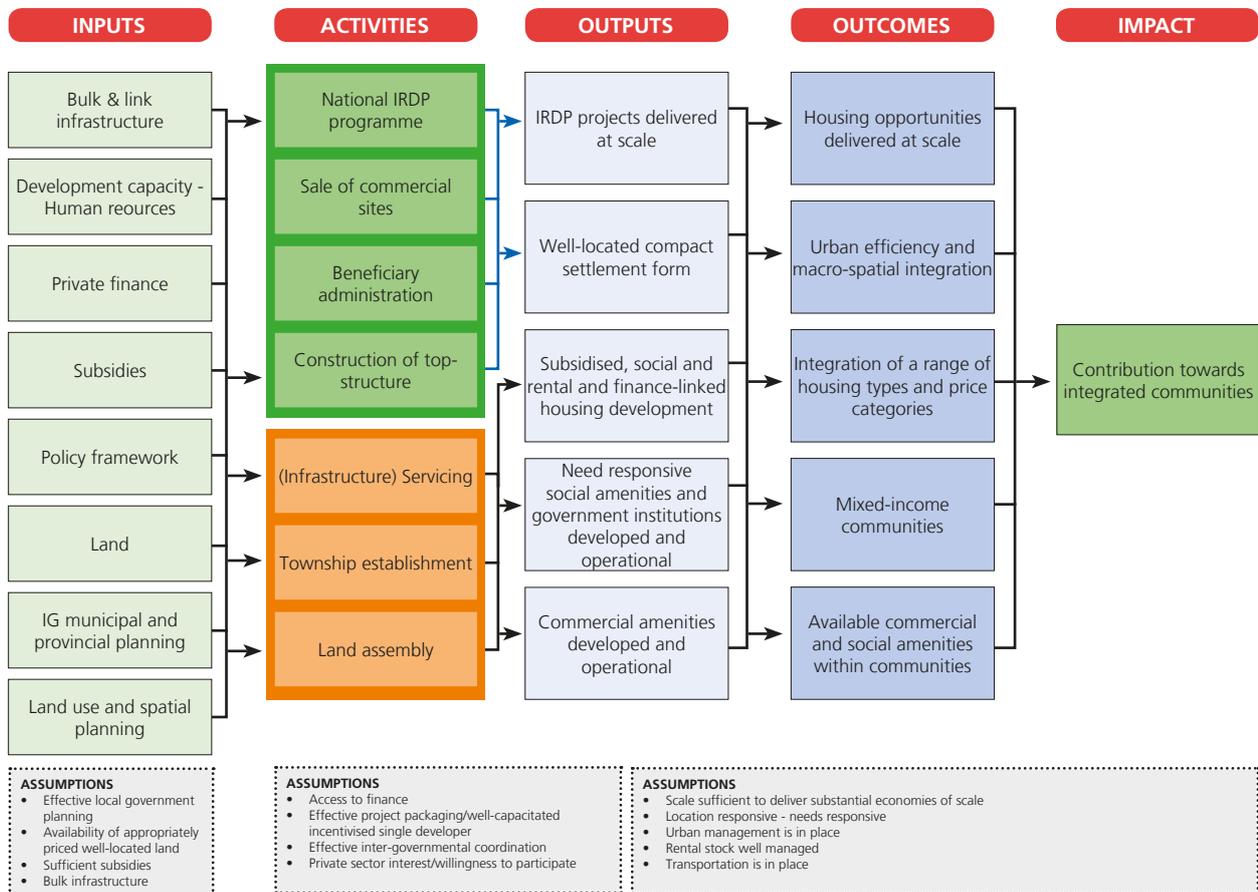


FIGURE 16 THEORY OF CHANGE LOG FRAME

The IRDP ToC log frame above indicates the ideal programme logic that, if all assumptions operate under correct conditions, will ultimately yield the desired impact.

The IRDP ToC log frame can be represented as shown in Figure 17 below.

The desired impact being the contribution towards integrated communities.

The evaluation conducted by the DPME and the development of the ToC provides an excellent basis for the understanding of the IRDP and the objective of the programme within the context of housing delivery. During the study conducted

and the engagement process that was undertaken it was noted that one of the more **prominent shortcomings of the IRDP ToC is the very limited knowledge thereof**. It was evident that at best two respondents knew the IRDP ToC well enough to provide very limited comment thereon. Beyond that all other respondents indicated no knowledge of the IRDP ToC and the tenets therein.

It was also noted that the IRDP ToC was **not easily integrated into the pragmatic operational structures of the municipal and provincial officials in terms of improving or enhancing their ability to improve the implementation of the programme**.

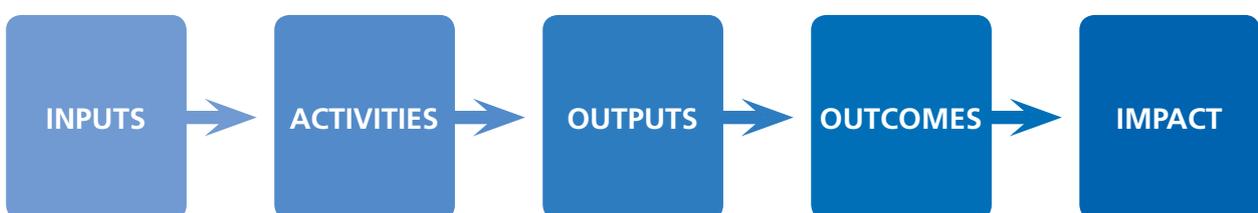


FIGURE 17 IRDP LOG FRAME PROCESS

The study therefore suggests the following areas that may require addressing by the DPME in terms of the inputs and assumptions made:

ACCESS	<ul style="list-style-type: none"> The study therefore suggests the following areas that may require addressing by the DPME in terms of the inputs and assumptions made:
INFRASTRUCTURE	<ul style="list-style-type: none"> The lack of available bulk infrastructure compromises delivery Bureaucratic deficiencies delay bulk infrastructure installation Increased time delays lengthen time of delivery for IRDP projects and increase project costs Private developers are required to fund bulk infrastructure to prevent delays
CAPACITY	<ul style="list-style-type: none"> Limited capacity for municipalities to implement programme at scale CoJ appoints external service provider due to limited capacity Limited or poor capacitation increases project delivery times and costs there is a need to re-assess the development capacity and its impact on IRDP project delivery
FINANCE	<ul style="list-style-type: none"> Assumes ease of access to private finance Current economic climate limits access to private finance At start up, private funding required can amount to R400 million (Fluerhof) Financial institutions do not finance vacant land Impact of private finance on project costs, feasibility and ratios of product delivery
LAND	<ul style="list-style-type: none"> Assumes availability of appropriately priced, well located land Land is a highly contested asset in the State and IRDP/ housing delivery not always prioritised Limited leveraging of State owned land for IRDP Land factored as a cost in the IRDP project (to be acquired/ purchased) Access to vast tracts of unusable land parcels (HDA)
IGR	<ul style="list-style-type: none"> Poor co-ordination between Provincial and Local government can be a critical stumbling block to IRDP Contestation over projects between Province and Municipality has negative impact on delivery Alternative prioritisation between spheres creates disjuncture between grant funding allocations Disjuncture between Municipal and Provincial development trajectory
TRANSPORT & URBAN MANAGEMENT	<ul style="list-style-type: none"> Urban management is not in place or very limited Has a negative impact on household and precinct maintenance and growth High levels of urban management failure in fully subsidised components of IRDP projects Transportation is not always in place Transportation is a critical factor in sustainability of IRDP projects

FIGURE 18 TOC INPUTS UPDATE

The updates above are suggested noting that the assumptions made during the evaluation process cannot be mitigated as the impact thereof can and has been significant within the IRDP sector. Additionally, the study conducted indicated that these issues of concern impact on projects within the IRDP. The factors mentioned above can also have a negative impact on the willingness of the private sector to participate in the sector and to deliver at scale.

The study also noted that the IRDP ToC should include the following elements that have a direct impact on the potential of the projects to yield the desired outcome:

- **Time (Length of delivery)**
 - o *The evaluation should note that the estimated time frame for the delivery of the projects (complete fully subsidised unit) is between 8 and 10 years*
 - o *The length of time for such delivery needs to be assessed noting that the processes and procedures need to ensure compliance, but timeously. This has a negative impact on the IRDP projects and the costs incurred*
- **Economic Development**
 - o *The economic development impact associated with IRDP projects does not keep pace with the delivery of the units*

- o *The economic development growth/transformation is often realised well after the completion and occupation of the IRDP projects*
- o *Economic development plays a key role in the IRDP achieving the desired impact*

The study therefore notes that the DPME IRDP evaluation process and the ToC provide an ideal ambit and sequential process that under ideal conditions will yield the desired impact. The updated suggestions above provide a more encompassing evaluation ambit with a view to incorporating the pragmatic and operational realities and impacts that are experienced within the programme and its implementation.

J. SUSTAINABILITY

The assessment of the four identified IRDP projects noted that each project subscribes to the tenets of the IRDP. In so doing, each project provides for a mix of uses, income bands, typologies and tenures. The projects also include ancillary uses for commercial, retail, recreation, health and education facilities.

The projects indicate the following mix of typologies:

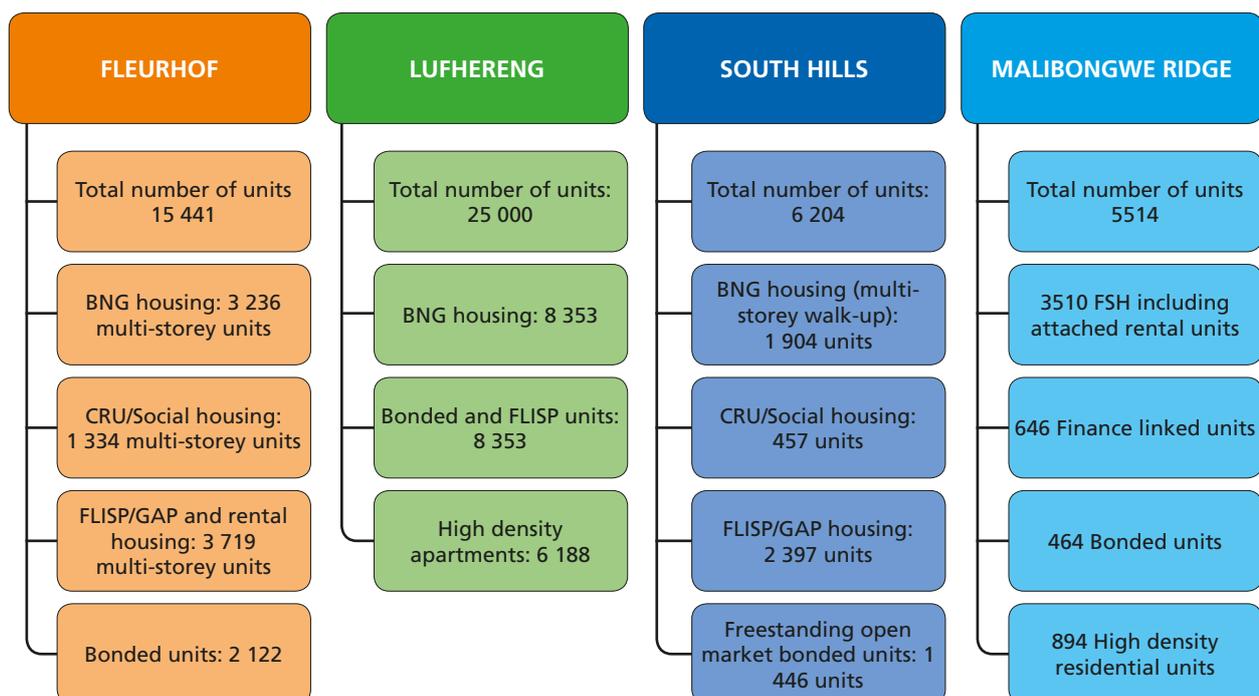


FIGURE 19 TYPOLOGY MIX

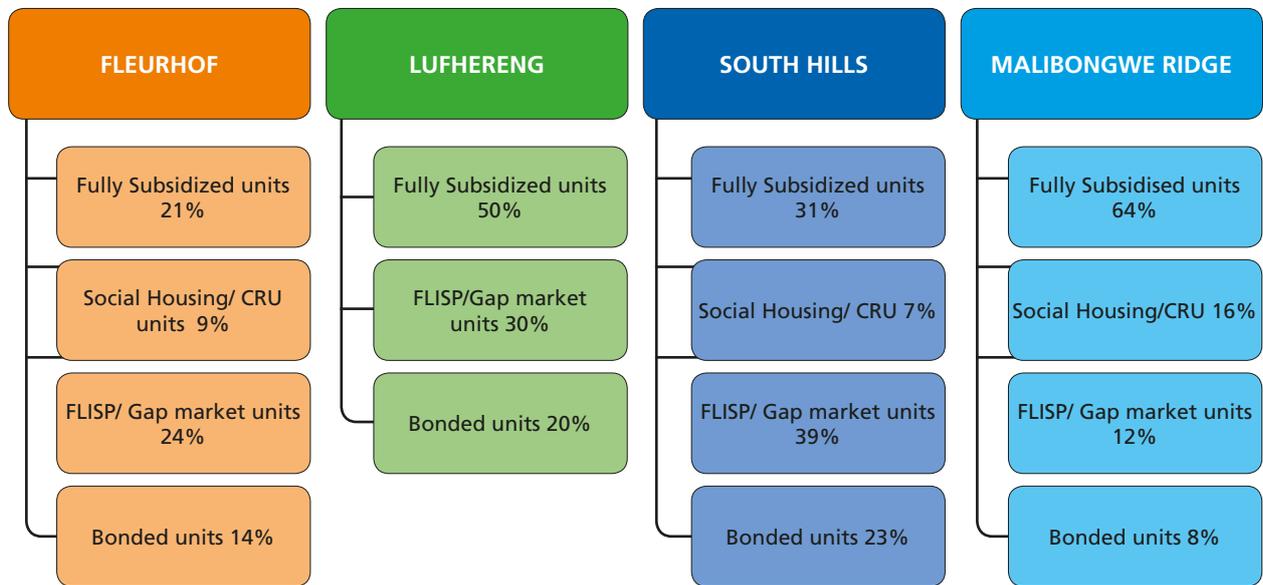


FIGURE 20 TYPOLOGY RATIOS PER PROJECT

Additionally, each project makes provision for additional uses within the project precinct. These uses include schools (primary and high schools), retail and commercial sites, recreation (parks), health, education and industrial sites. The engagement with the CoJ indicated that the City has a normal stipulation of between **60% and 70%** of the housing products delivered to be the States' products. This includes fully and partially subsidised units and social housing. The CoJ does indicate that each project is assessed on its merit and the **ratios are calculated according to the mix that is best suited to ensure project viability and long-term sustainability.**

The assessed projects indicate the ratios as shown in Figure 20 above.

As shown above, in each project the ratios vary according to the characteristics of each project. Considering the elements that impact on the project and their viability, the CoJ packages the projects accordingly. It is also evident that in all the projects, the **subsidised housing units (fully or partially subsidised) comprise most of the units constructed.** It should be noted, in the case of Fleurhof, that the accumulated total does not add up to 100% since the last phase of the project comprising of 5000 units is dependent upon the site rehabilitation. The breakdown provided is against actual units constructed. The study noted that, upon completion, the project should yield a 40% (RDP or fully subsidised units), 30% (FLISP and Social Housing units), 30% (Bonded/ free hold units) split.

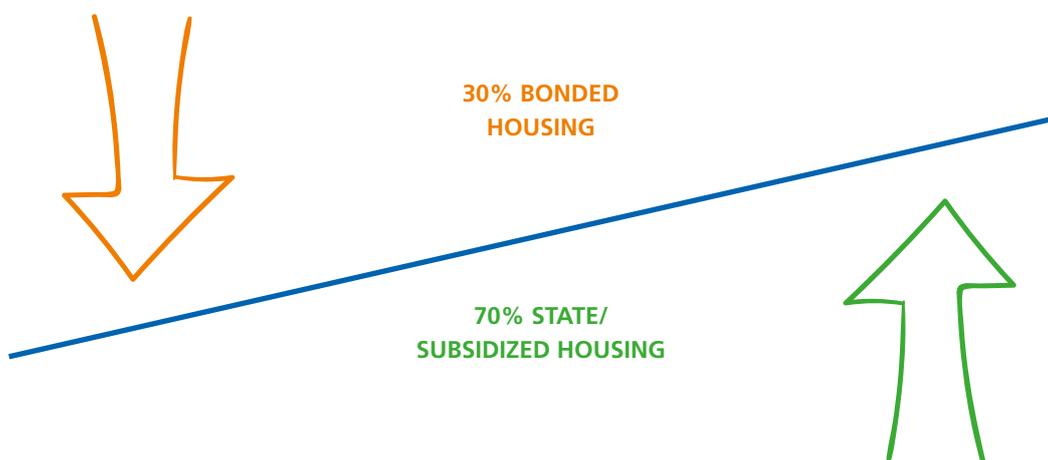


FIGURE 21: IDEAL HOUSING RATIO

The combination of **the provision of the mixed typology housing, with mixed income bands and tenures ensures that the projects meet the requirements of the IRDP**. Furthermore, the assessment of each project according to its merits to ensure viability is progressive and pivotal to ensuring sustainability. The further **provision, in each project of ancillary sites (education, recreation, health and social uses) indicates that the projects have a positive impact towards achieving the desired impact of integrated neighbourhoods as stipulated in the IRDP ToC**.

ANCILLARY SITES AND USES

The provision of ancillary sites/ stands within an IRDP project is paramount to the successful completion of the project

towards achieving the desired outcomes and impacts in terms of human settlements development. Each project has indicated and demonstrated that the ancillary uses are identified and land parcels allocated for the use thereof. An essential element within the provision of ancillary uses is that the uses such as health and education are provincial administrative functions. This impacts on the development of the IRDP projects and the timeous construction, installation and operation of the associated uses. The impact also extends to the maintenance of the physical infrastructure of the uses, as this ambit is the custodianship of the Department of Public Works. The level of intergovernmental planning and project prioritisation becomes critical towards ensuring that the IRDP projects are able to deliver the stipulated mandate.

In providing the ancillary sites/ uses the following has relevance:

TABLE 4: RED BOOK PROVISION OF ANCILLARY USES

TYPE OF FACILITY	LAND USE	LOCATION	MAXIMUM TRAVEL TIME	MINIMUM STAND SIZE	MINIMUM POPULATION THRESHOLD
Educational	Crèche/ Nursery	Within walking distance of communities or clustered with other community facilities	10 min or 750m walking distance	130m ²	1 per 5000 population
	Primary School	Within easy reach of local areas or clustered with other facilities	20 min or 1,5km walking distance	2,4ha	1 per 3000 – 4000 population
	High School	On major transport route with public stops	30 minutes or 2,25km walking distance	4,6ha	1 per 6000 – 10000 population
	Tertiary Facility	On major transport routes with public transport stops	Depending on the regional scale of the facility needed in terms of development frameworks		
Health	Mobile Clinic (where no fixed facility is established)	No fixed location	Accessible by foot or 1km walking distance	Self-contained unit	1 per 5000 population
	Clinic	Close to public transport stops for easy access to the greatest number of residents	30 min or 2km walking distance	0,1ha per 5000 population	1 per 5000 population
	Hospitals	On major transport routes with public transport stops	Depending on the regional scale of the facility needed in terms of development frameworks		
Recreation	Parks	Evenly distributed throughout settlement	10 min or 500m walking distance (larger parks)	6ha– 10ha (larger parks)	Varies
			10 min or 300m walking distance (smaller parks)	450m ² – 1000m ² (smaller parks)	

TYPE OF FACILITY	10 MIN OR 300M WALKING DISTANCE (SMALLER PARKS)	6HA- 10HA (LARGER PARKS)	MAXIMUM TRAVEL TIME	MINIMUM STAND SIZE	MINIMUM POPULATION THRESHOLD
Recreation	Sports fields	Within clusters of schools or close to private clubs to avoid under-utilisation or close to public transport services	300m walking distance and 500m -1500m walking distance from other user groups	Varies according to the need of the sport	varies
Cultural	Library	On major transport routes with public transport stops	20min – 30min or 1,5km – 2,25km walking distance	130m ²	1 per 5000 – 50000 population
	Community centres	On major transport routes with public transport stops	20min – 30min or 1,5km – 2,25km walking distance	5000m ²	1 per 10000 population
	Religious centres	Will depend on community that it serves or clustered with other public facilities such as playgrounds or community centres	20min or 1,5km walking distance	150m ² – 3000m ²	1 per 2000 population
Administrative	Municipal pay point	High level exposure and must be easily accessible by public transport	30 minutes by public transport	3000m ²	1 per 50000 population
	Post Office	Along activity spines with easy access by public transport	30min – 40min or 2km walking distance	500m ²	1 per 11000 population
	Police Station	Central to the community it serves	20min or 1,5km walking distance	0,1ha – 1ha depending on facility needed	1 per 25000 population
	Fire Station	On high order roads that intersect with primary or regional distributors	Regular access to it not required due to the nature of the facility	1,2ha	1 per 60000 population
	Children's Home	Regional facility to be provided in terms of a development framework based on statistics regarding homeless children		2ha	1 per 200000
	Community Information Centres	Easily accessible to the entire community, visible and on busier road intersections	15min or 1km walking distance	Max building size of 100m ²	1 per 22000 population

The Red Book provides the standard for the provision of the ancillary uses. The exact number and sites each ancillary uses per project varies according to the envisaged number of households and the anticipated growth and uptake of the development.

The assessment revealed that despite the identification of the sites and the indication of the ancillary uses to be provided, there remains a disjuncture between the construction and operationalisation of the facilities upon completion of the housing units.

The result is that for the projects assessed the adequate provision of both health and educational facilities is lagging in terms of the number of residents within the projects. This ambit needs remedying to ensure that the IRDP project reaches human settlement status upon completion of the housing units directly linked to the operationalisation of the ancillary uses.

K. OUTCOMES

The outcomes of the assessment provide an indication that the identified IRDP projects do play a role in the spatial transformation of the CoJ. The prescripts of the IRDP and the planned, phased and integrated approach to providing

housing delivery at scale contained in the projects assessed, demonstrate that Spatial Transformation is a strong element of the IRDP.

Within that context, the study assessed each project according to the following criteria:

TABLE 5 IRDP SPATIAL TRANSFORMATION SCORING TOOL

SPATIAL TRANSFORMATION THEMATIC AREA	SPATIAL TRANSFORMATION INDICATORS	IRDP PROJECT			
		FLEURHOF	SOUTH HILLS	LUFHERENG	MALIBONGWE RIDGE
Land	Well located, affordable land based on the housing demand/ needs analysis that is suitable for human settlement development and the progressive upgrading of informal settlements	2	2	2	2
	The use of State Owned Land for human settlement development and the progressive upgrading of informal settlements	0	2	2	2
	Land that meets the strategic priorities of the human settlements mandate and that can be used to catalyse private sector investment at a precinct and/or regional scale	1	2	2	1
Integration	Access to Transport Systems (public transport and transport networks) that allow residents to move freely between different parts of the City	2	2	1	1
	Access to Health, Educational and Recreational amenities and services that promote sustainable communities and neighbourhoods	1	1	1	1
	Integrating the disparate parts of the city including marginalised areas that re-dress the existing spatial legacy	2	2	1	1
	Integration with existing urban fabric and existing infrastructure	2	2	2	2
Economic Development	A dedicated Local Economic Development Plan that promotes localised economic development throughout the project life cycle	0	0	2	0
	Identification of Economic Sites for sustainable economic development	2	2	2	2
	Access to Economic Opportunities through the provision of economic sites and services at project and precinct level	1	1	2	1
	Access to informal economic opportunities through the provision of sites for informal economic integration (informal trading areas, taxi ranks)	1	1	1	1
Transversal Alignment	Alignment with the National DHS strategic objectives contained in the Medium Term Strategic Framework (MTSF)	2	2	2	2
	Alignment with the Provincial strategic objectives contained in the Provincial Growth Strategy	2	2	2	2
	Alignment with the local government spatial plans such as the Integrated Development Plan (IDP), the Spatial Development Framework (SDF) and the Built Environment Performance Plan (BEPP) (BEPP is Metro Specific)	2	2	1	1
Urban Management	A project specific Urban Management Plan (UMP) for the human settlement development	0	0	0	0
	Urban Management Capacitation in terms of resource mobilisation and capacity of the municipality to provide urban management services over the life cycle of the development	0	0	0	0
	Building and Precinct Maintenance Plan to promote sustainable neighbourhood development	0	0	0	0
	Budget Provision for Urban Management and Maintenance (building and precinct level) over the life cycle of the development	0	0	0	0

SPATIAL TRANSFORMATION THEMATIC AREA	SPATIAL TRANSFORMATION INDICATORS	IRDP PROJECT			
		FLEURHOF	SOUTH HILLS	LUFHERENG	MALIBONGWE RIDGE
Quality	Innovative Urban Design that promotes inclusivity, efficient land use and environmental and social sustainability	2	2	1	1
	Densification and Compaction that promotes improved density across the development	2	2	1	1
	Typology and Tenure Mix that provides a range of housing types and tenure	2	2	2	2
	Common Level of Public Façade that promotes a single level of public treatment such as sidewalks, street lighting, landscaping and curbing	2	2	1	1
Safety	Sites for SAPS and Emergency Services	2	2	2	1
	Active Police Station, Fire Station	0	0	1	1
	Safety/ Security Measures (perimeter fencing, private security services)	2	2	0	0
		32	35	31	26

RATING	NO FULFILMENT OF INDICATOR CRITERIA	PARTIAL FULFILMENT OF INDICATOR CRITERIA	COMPLETE FULFILMENT OF INDICATOR CRITERIA
Score	0	1	2

The scoring indicates that the **projects contribute positively towards the spatial transformation of the city**. The projects exhibit limitations and poor scoring on elements such as urban management and safety. Further limitations are evident around transport integration, particularly for Lufhereng. The limitations around safety are centred around the projects still being under construction and the operationalisation of the police stations has not yet been achieved. The aspects of health, education and recreation also remain a concern because they have not been fully installed or completed.

Considering the above, the study revealed that the **identified projects contribute positively to spatial transformation**. It should also be noted that the projects assessed are to be completed and a post construction and occupation review should be conducted to gather additional data on the spatial transformation question. The **sustainability of the projects as indicated previously has been factored into the design and construction** but accurate levels of sustainability achieved can only be measured post occupation.

Each project demonstrates **prominent levels of compliance with the tenets of the IRDP and the definition of spatial transformation**. There is **congruence between the projects on achieving the mix of uses, the spread of typologies across the precincts, the varying income bands and the allocation of sites for the ancillary uses**. Each project also has a **contextual appropriateness to its location, its impact on the surrounding areas and its regional impact**.

The projects have also provided a **positive impact on the progressive realisation of the right to adequate housing** and ensuring that the CoJ as a sphere of government is enabling and meeting the Constitutional requirement. This therefore has an **impact on the quality of household life for residents within these projects**.

At a household level evidence suggests that:

- **Generally people feel well established and like the variance of different house types** in the development (“we are not just a number - everybody has a recognisable house > also good for emergencies> ambulances) > more than a house = home
- **People generally grateful for having received a house and the type they received**
- **Double stories are referred to as flats**, least liked > stairs dangerous for kids and elderly
- **Being able to walk around the outside of the house is favoured**
- *(2610 Architects Lufhereng Household Study)*

Basil Read, for Malibongwe Ridge and Cosmo City, has provided video footage of interviews conducted with residents in the projects and there is a **distinct positive reception and view towards receiving a state provided house, for being able to access a FLISP unit or to purchase a bonded unit within these IRDP projects**.

The impact of such positive impacts should not be dismissed or discounted in terms of both the Spatial Transformation agenda and the provision of housing. The positive feedback from the projects does not detract from some of the challenges within the projects but should be noted in terms of the provision of housing and IRDP projects at scale.

Similarly, the stakeholder engagement established that **even developers, social housing institutions and the financial sector are keener to invest and participate in IRDP projects** such as the ones assessed in the study due to **the mix of typologies, the understanding and application to project viability and long-term sustainability by the CoJ.**

At the onset of the study, the stakeholder engagement indicated that the identified projects, due to their scale, nature of delivery and their location, would not lend themselves to the Spatial Transformation agenda. Since the detailed assessment and further engagement **it is evident that the understanding around the IRDP and the intended or desired impact and the way the funding instruments are arranged is not always clearly understood across different departments within the state and across academia.**

The assessment also noted that the **IRDP projects assessed are a viable, incentivised housing delivery process that enables housing and settlements transformation.** It is an ambit that has **widespread political support and willingness by the private sector to participate** if the conditions and instruments of the process are actively engaged. The adage around project feasibility and viability is simple, **No Profit = No Project.** The study noted that **all the projects were designed and packaged in a manner that ensured the financial viability** of the projects. This is a crucial **factor in bridging the gap between the State housing programmes and the delivery efficiencies** that can be leveraged from the private sector. The ability of the CoJ to understand such and ensure that its IRDP projects are a viable prospect for the private sector investment and uptake is noted.

The assessment process established that the **Return on Investment (ROI) for the projects ranges between 12% and 23%.** It should be noted that **this is a highly sensitive aspect of the project assessment and there was reluctance to discuss the details of the ROI.** The general trend across the projects as expressed by the Banking Association of South Africa, is that the range expressed is correct. **The ROI will vary depending on the factors of the projects and the stakeholder engagement revealed that any ROI below 11% is not feasible.** The assessment

also noted that, without the considerable contribution made by the State in terms of grant funding and the municipal contributions, the IRDP projects become untenable. The combined funding elements provide the impetus and incentive for successful IRDP projects.

The methodology around funding and structuring of IRDP projects also contradicts the popular perception that the bonded and lower bonded units are cross subsidising the fully subsidised and partially subsidised housing sector. The assessment indicated that the **use of the grant funding instrument (USDG) for bulk infrastructure provision, provides bulk infrastructure across the typologies of the project.** Thereby **decreasing the cost of the bonded units and providing a competitive pricing model for the bonded units** and the increased uptake of the units by the market. This creates a pseudo guarantee on the sales of the bonded units as the profit margin for the developers of the IRDP projects. Over the term of the project and post completion the **cross subsidisation that will take place occurs within the ambit of rates, taxes and services contributions made by the partially subsidised and bonded sector.** This provides an added measure for long term sustainability of the project, and is another key premise around the use of mixed income bands and typologies within IRDP projects.

L. CHALLENGES

In terms of the challenges that are evident within the IRDP and the projects towards fulfilling the spatial transformation agenda, the study noted that the **most compelling challenge involves the understanding of the IRDP delivery agenda and the spatial transformation agenda.** It was also evident that the **urban planning logic**, around which spatial transformation is centred and the **housing delivery logic**, around which the IRDP is centred **do not align** in a manner that could ensure parity between the two.

Through the stakeholder engagement process and the assessment of the projects it was evident that spatial transformation and the urban planning agenda attached to it, stipulate an alternate methodology for housing development. The IRDP, as defined in the National Housing Code of 2009, stipulates a contradictory modality for housing and human settlement delivery. **An element of contention is that of scale.**

The densification and compaction element of spatial transformation and the suggestions of infill and brownfields development ignores the scale of delivery incumbent upon IRDP.

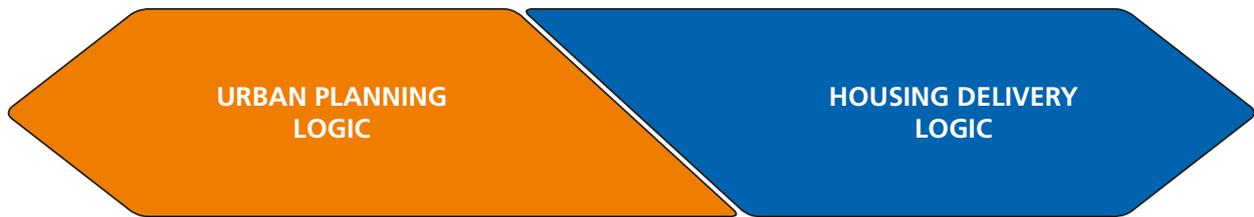


FIGURE 22 URBAN PLANNING & HOUSING LOGIC

Additional challenges that were evident during the assessment noted that the funding instruments and thus **funding logic (HSDG), attached to the IRDP and the type of units constructed and delivered results in a conflict with the tenets of the spatial transformation agenda. The CoJ, through the IRDP projects, attempts to mitigate such by developing and constructing alternative housing units. The development of multi-storey, walk up RDP blocks of units is a case in point.** This is despite such a product being outside the ambit of the National Housing Code. The IRDP should investigate the feasibility of developing the **multi storey medium density fully subsidised units and determine the correct method of inclusion within the programme.** Such an inclusion could **enhance the ability of the IRDP to enable a broader spatial transformation agenda** through the national housing delivery mechanism.

During the stakeholder engagement sessions, the Executive Director for Planning at the CoJ, Ms Yondela Silimela, noted that there exists a disjuncture in the logic. She states that, **“there is often a myopic view about IRDP projects**

and in particular the location of the projects in the context of the broader city.” Further engagements with the CoJ department of Housing and the Director for Project Implementation and Management (PIM), Mr Walter Melato, indicated that the misunderstanding in the logic is evident. He further indicated that, **“part of the problem in the CoJ is the continued focus that everything has been centred around the Carlton Centre.”** Noting the above it was pointed out that there is **no congruence between the city’s spatial agenda and the provincial spatial agenda and broader regional impact that IRDP projects can have.** A case in point is the understanding around **Lufhereng**, which lends credence to the critique of its location within the CoJ. The premise of the project, however, was to **facilitate and enable consolidation of the fragmented western edge of Gauteng and the Western District Regional Area.** The cross-border implications and broader regional context of IRDP projects cannot be underestimated.

In terms of Malibongwe Ridge and the attached Cosmo City, the **IRDP project enabled increased growth and**

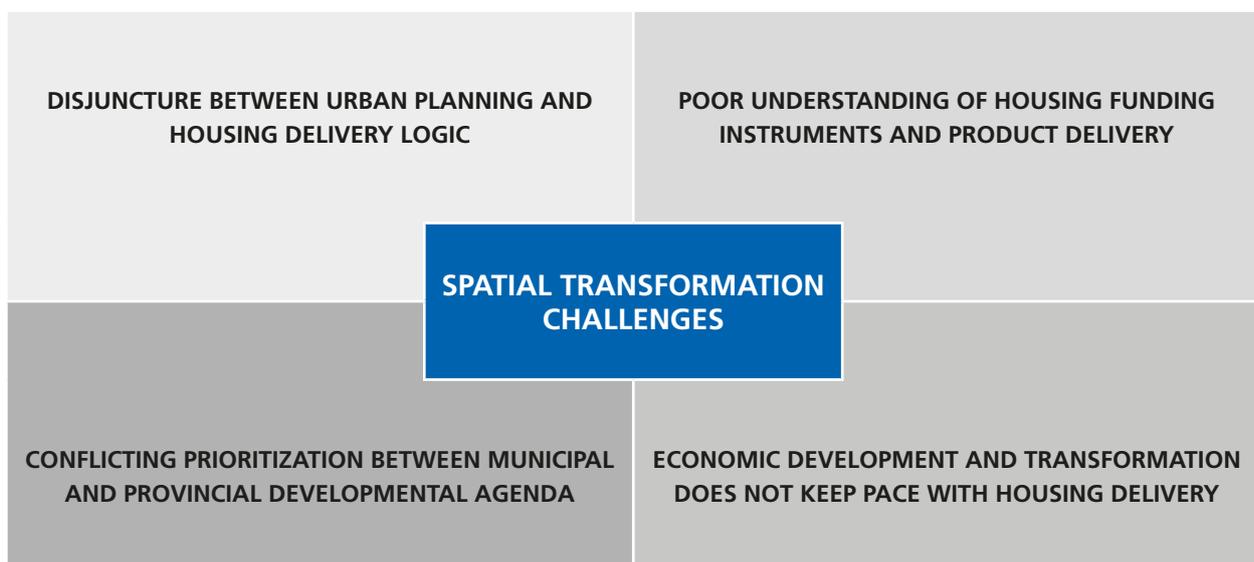


FIGURE 23 SPATIAL TRANSFORMATION CHALLENGES

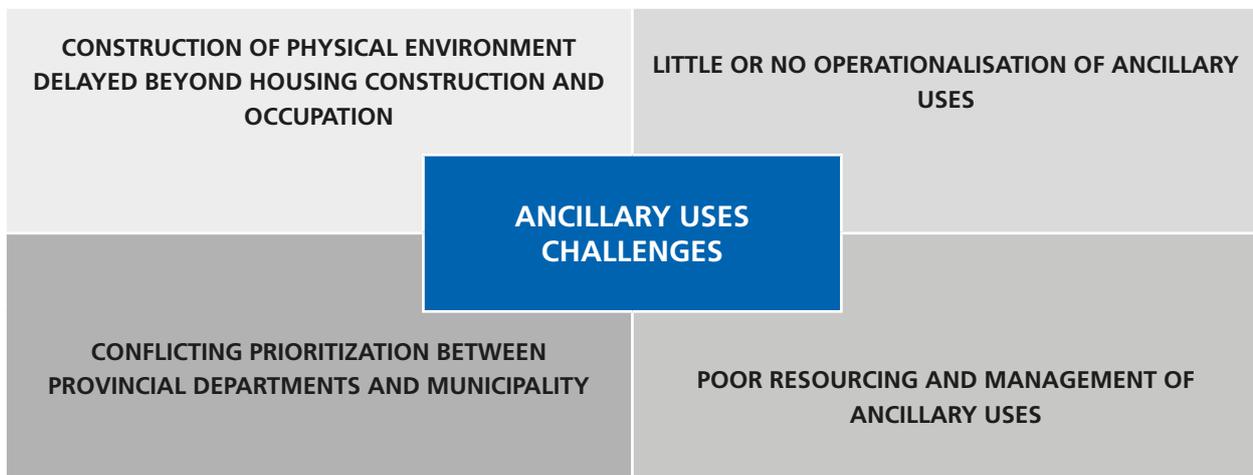


FIGURE 23 SPATIAL TRANSFORMATION CHALLENGES

development in the region, expanding towards Lanseria Airport. The area has witnessed increased growth in private residential development, economic and industrial growth. Further the integrated expansion to the Lanseria Airport, enables integration between the CoJ and Mogale City. Impacting on a broader regional context, the IRDP project has enabled integration between Gauteng and the North-West Province and at country level enables integration between South Africa and Botswana. (Mr. W Melato, Director PIM, CoJ Housing, 2017).

In addition to the key challenges above, within the IRDP and the projects, a challenge that was evident was that of timeous delivery and operationalisation of the ancillary uses of the projects. Precinct based uses such as health, education and safety (police services) sites are planned and allocated but the construction of the appropriate buildings and physical environment for the said uses continues to be delayed. In Fleurhof, the school facility being utilised continues to be a temporary facility despite the site being available for 3 years for construction of the school. Across the projects, it was noted that the institutional arrangement and alignment between the municipality and the provincial service departments demonstrates alignment in terms of planning and site allocation. The requisite construction, resourcing and operationalisation is missing and compromises the success of the IRDP projects.

It was also evident during the study that the impedance of fiscal flows negatively impacts on successful delivery and completion of IRDP projects. The current administrative climate indicates a direct contestation between the

Municipality and the Provincial Human Settlement Department. This has a direct impact on the flows of both the USDG and HSDG grants and thereby impedes the provision of bulk infrastructure and the delivery of housing units or top structures. It is imperative that the fiscal flows are optimised to ensure that IRDP projects are delivered timeously, to scale within budget. Delays in funding can be mitigated due to the delays being concentrated within the administrative centres responsible for the successful completion of the projects.

M. RECOMMENDATIONS

The assessment and the study culminates in the proposed recommendations that could be investigated and implemented towards improving the ability of IRDP projects to enable Spatial Transformation. In providing the suggested recommendations, the study notes the importance of the HDA and its role within the spectrum of housing delivery in South Africa.

The HDA is mandated to facilitate and expedite the development of large scale integrated, sustainable human settlements with all the required socio-economic infrastructure. The HDA's role is to ensure the availability of land for development, facilitate the effective structuring of projects and oversee their implementation through to completion, ensure appropriate government funding flows and subsidies for developments in respect of land and building acquisition, planning and proclamation process, bulk and internal infrastructure development and social

CO-ORDINATION AND FACILITATION	<ul style="list-style-type: none"> • HDA to facilitate congruence between urban planning logic and housing delivery logic • HDA to limit bureaucratic inefficiencies through multi-sphere alignment around IRDP projects • Ensure developmental parity and aligned prioritization between municipalities and provinces • Enable greater leveraging of State owned assets (land, acquisition and assembly) for IRDP development through alternative Land Availability Agreements (LAA)
ECONOMIC DEVELOPMENT	<ul style="list-style-type: none"> • HDA to determine the most appropriate methodologies for simultaneous economic development attached to IRDP projects • Facilitate the development of project specific, implementable economic development plans • Explore the broader impact of IRDP projects to deliver at scale within Transit Oriented Developments
FISCAL FLOWS	<ul style="list-style-type: none"> • Examine the blockages in fiscal flows and provide appropriate measures to streamline fiscal flows (USDG and HSDG) over the duration of the IRDP project • Bridge the disjuncture between USDG and HSDG fund allocations and prioritizations between municipalities and provincial departments
MONITORING AND EVALUATION	<ul style="list-style-type: none"> • Project tracking and contract management to ensure projects are delivered timeously, within budget and to specifications • Investigate appropriate methodologies to improve monitoring and evaluation of IRDP projects to ensure parity between funding allocation and construction of units • Enhance and Implement the Spatial Transformation Scoring Tool to measure the impact on Spatial Transformation
URBAN MANAGEMENT	<ul style="list-style-type: none"> • Ensure that Urban Management is factored into IRDP projects at design and conceptualization • Develop Urban Management and Maintenance Plans for IRDP projects • Develop methodologies to include maintenance at precinct and household level is factored into IRDP projects.

FIGURE 25 RECOMMENDATIONS

infrastructure development and promote an appropriate policy and regulatory framework. More recently the role of the HDA includes that of being a developer and it is against this backdrop that the recommendations are put forward.

The recommendations suggested above are derived from the assessment that indicates that the IRDP and the projects delivered or being delivered, within the CoJ, demonstrate that the programme is successful in delivering on the intended mandate.

N. CONCLUSION

In conclusion, the study has determined that IRDP projects, being delivered within the CoJ **do** have a positive impact on the Spatial Transformation agenda. The projects can do so against a backdrop of varying interpretations of Spatial Transformation and do lend credence to the programme by providing housing/human settlement delivery at a broader spatial transformation perspective that includes both the Constitutional mandate and National housing delivery mandate.

The variance between the applicable logics, does not detract from the positive impacts that the IRDP projects have and will have in the future. The IRDP and the implementation thereof is not without challenges, as noted previously, but the evolution of the national housing delivery programme to the IRDP clearly indicates the drive towards integration and inclusivity and urban efficiency. The ability of the CoJ to innovate and develop alternative modalities of delivery within the context of the IRDP indicates the ever-evolving context of housing delivery at scale and the programme.

It is noted that there are challenges and that there is a need to remedy and address the challenges raised to improve

the ability of the programme to further enhance the spatial transformation agenda. There remain areas of exploration and investigation where the IRDP may be utilised as the programme in Transit Oriented Developments.

The assessment also noted that, despite the need to address certain assumptions, the IRDP Design and Evaluation ToC indicates that overall, IRDP projects and the ones assessed are yielding the desired impact of contributing towards integrated communities. The lens through which the IRDP project is viewed and assessed is critical to the way its impact upon the urban landscape is determined. The iteration of IRDP projects also demonstrates the ability of the National housing delivery programme to be an effective catalyst for developmental growth for the public and private sector. Further, there is willingness by the private sector to participate and contribute to the process whilst ensuring profitability and viability.

The study notes that the IRDP, as a programme, and at a policy level makes a concerted effort to further spatial transformation. The implementation thereof through the assessed projects, indicates that the construction, development and occupation within such projects contributes to the spatial transformation agenda.



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