INTEGRATED HOUSING DEVELOPMENT PLAN
ETHEKWINI MUNICIPALITY

1 Introduction

This chapter outlines in summary the eThekwini Municipality's (EM) Integrated Housing Development Plan (IHDP). The need to align a housing plan with integrated development planning is undeniable given the sheer importance of the role of Integrated Development Plans (IDPs) as strategic planning tools for local government.

The IHDP which updates the previous Housing Plan developed for the EM is far more receptive to the objectives outlined within the EM's IDP as well as National Department of Housing programmes and initiatives. The IHDP has been developed to cover the entire area under the jurisdiction of the EM.

2 IDP Link

The EM's City Strategy is driven by its 2020 Vision enshrined in the City's Long Term Development Framework (LTDF). The LTDF stipulates the key challenges facing the City and which the City intends addressing by the year 2020. The LTDF is to be achieved through a set of 5 IDPs. The first 2003/2007 IDP document is already in operation and has subsequently been through a 2004/2005 & 2005/2007 review which is a legislative requirement. Although the review has reshaped its strategic focus, the strategic intention of the IDP 2003/2007 has not been changed at all.

City Vision

“By 2020 the eThekwini Municipality will enjoy the reputation of being Africa’s most caring and liveable city, where all citizens live in harmony. This vision will be achieved by growing its economy and meeting people’s needs so that all citizens enjoy a high quality of life with equal opportunities, in a city that they are truly proud of.”

The revised IDP 2004/2005 is centred on meeting certain outcomes that respond directly to the City’s key challenges. The desired outcome of “fully serviced, well maintained, quality living environments” has been identified to address the challenge of “poor access to basic household services”. This outcome is outlined in chapter 4 of the IDP - Quality Living Environments and deals with addressing the issues of social inequalities in service delivery and the maintenance of community facilities. The focus is therefore not confined purely on the delivery of housing but rather on a total package which includes community facilities and services, operation and maintenance of facilities as well as cleaning and greening. The concept of a total living environment is consistent with Government’s concerted drive towards creating sustainable human settlements.
The strategic direction in achieving the outcome of quality living environments is underpinned by 2 key strategic programmes viz. meeting and maintaining basic needs and meeting and maintaining community service needs.

3 National Injunction

The National Department of Housing was instructed by President Mbeki to deliver a comprehensive programme dealing with human settlements and social infrastructure. Apart from initiatives to fast tracking housing development and informal settlement upgrading, a draft Medium Density Housing Programme has been developed which is targeted at creating sustainable human settlements and the creation of an integrated non-racial society. The underlying objectives of the programme are spatial restructuring and integration, optimizing existing infrastructure and minimizing the need for relocations in informal settlements.

The need for the programme has emerged from the consequences of ongoing urban sprawl which is inhibiting the achievement of more sustainable settlements. The problems associated with urban sprawl are compounded by the separation of land uses which forces people who live in areas which are exclusively residential to commute to other areas to shop, work or attend schools and clinics.

Hence the transformation from sprawling, fragmented areas to more compact and efficient settlements has been identified as one of the key strategies to make cities more sustainable. These principles have now been incorporated into a variety of national policies, especially under the Department of Planning and Local Government, as well as in the respective IDPs and spatial development frameworks (SDFs) of the various municipalities. This is reiterated in the Government’s proposed housing programmes which place an emphasis on urban renewal, integrated land development, higher density housing, the diversification of tenure options and on improving settlement quality.

4 Background

Having briefly discussed the desired outcome of quality living environments as per the current IDP, the City’s Housing Vision and Housing Mission which were developed back in 1999 as part of its Strategic Housing Framework for the Durban Metropolitan Area (DMA) are still as relevant and applicable as they were then.

Housing Vision

*The creation of sustainable human settlements in the DMA (now eThekwini Municipality) with a view to ensuring that by the year 2015 all residents will have access to a housing opportunity which includes secure tenure, basic services and support in achieving incremental housing improvement in living environments with requisite social, economic and physical infrastructure.*

Housing Mission

*The Housing Mission of the City is to:*

*• Implement the Vision within the context of a sustainable and integrated development-planning framework.*
• Achieve the annual delivery of at least 16 000 to 24 000 housing opportunities in the.
• Establish housing as a lead sector in the economic and social government of the City.
• Ensure that the provision of housing opportunities and the development of balanced neighbourhoods will become part of a broader strategy to re-structure and transform the present sprawling and inequitable urban form into a more compact, integrated and accessible environment.
• Provide households of different interests and means with a range of tenure options and a variety of delivery systems, which will enable access to housing opportunities in an affordable and sustainable manner.

The IHDP developed for the EM is to a large extent still informed by a number of initiatives which guided the former Housing Plan. These include amongst others, the Informal Settlement Programme, the vacant land audit exercises and the calculation of the housing backlogs based on available sources of data.

The intention of the IHDP is to provide guidelines as to the type of housing interventions required, the number of sites (expressed as targets) required for each intervention, the time frames for delivering the targets and the concomitant funding to be borne by both the KwaZulu-Natal Department of Housing (DoH) and the EM. The interventions envisaged are primarily in the form of informal settlement in situ upgrade and greenfield projects. Sub-interventions within these projects include informal settlement relocation projects as well as special intervention projects for informal settlements.

The IHDP also includes a Housing Programme which comprises all approved DoH projects as well as all proposed projects in the EM. The Housing Programme not only suggests the sequence of proposed projects but also provides time frames in which such projects need to be implemented.

Apart from being guided by the EM’s IDP as well as National Department of Housing programmes and initiatives, the IHDP as mentioned earlier, has primarily been informed by the Informal Settlement Programme, the vacant land audit exercises and the calculation of the housing backlogs. These initiatives will be briefly discussed.

4.1 Informal Settlement Programme

The Informal Settlement Programme (ISP) has been developed as an effective development management tool for informal settlements in the EM. In essence it provides a programmatic approach to prioritising informal settlements with appropriate interventions in the context of financial and resource constraints. There are currently over 500 informal settlement communities in the EM comprising approximately 200 000 households. Given the magnitude of settlements in the EM, the ISP has resulted in a more co-ordinated development plan providing municipal officials, councillors, the affected communities, formal residents and other affected stakeholders with greater certainty on the future of each and every settlement in the EM. The ISP comprises three crucial components viz. a comprehensive audit of all settlements, prioritisation of appropriate projects, and project programming over pre-determined time frames.

The ISP has been instrumental in informing the EM’s successful implementation of its Slums Clearance Project. Over 10 000 households from 50 informal settlements
have been addressed in phase 1 of the project. Phases 2 and 3 have been planned for implementation within the next 6 years.

4.2 Vacant Land Audit

With regard to vacant land audit exercises, these initiatives have been implemented in parallel to the ISP. The aim of the audit exercises is to identify suitable land for greenfield projects in the EM. The success of the ISP hinges on the acquisition of greenfield land in order to accommodate households requiring relocation from upgrade projects (as a result of de-densification and other factors) as well as for relocating informal settlements earmarked for complete relocation due to hazards, etc. The vacant land audit initiatives comprises the very same components as the ISP, in that an audit, prioritisation of sites and project programming was undertaken. This audit is an ongoing exercise which is often complemented by similar strategic audits undertaken by other key municipal service units.

Suitable land that is identified is further evaluated by a strategic team within the EM which consider amongst other factors its support of principles contained in the IDP, its spatial merits, its cost implication to the EM in terms of the provision of services and facilities, etc.

4.3 Housing Backlog Analysis

In order to place the IHDP into perspective, an understanding of the housing backlog in the EM is essential. The EM’s net housing backlog is approximately 200,000 units. This nett backlog is anticipated to grow by a household growth rate of as high as 3.5% and thereafter declining in subsequent years. The affects of in-migration into the EM have not been sufficiently researched to make an informed projection. According to the EM’s 2003-2007 IDP, the housing delivery timeframe of 15 years was outlined in order to meet the housing backlog by 2017.

The projected housing backlog figure in 2017 was useful in quantifying the total number of housing opportunities required. With an anticipated delivery of approximately 16,000 units per annum, the net backlog and growth in the EM would be met by 2017.

The backlog figure was calculated using the 2001 Census as well as the EM’s GIS Address Base Project. It is worth noting that the EM’s housing backlog constitutes approximately 50% of the Provincial backlog.

5 The Integrated Housing Development Plan (IHDP) for the EM

5.1 Time Frame

The IHDP for the EM has been conceptualised to effectively meet the housing backlog over a 15 year period assuming an annual delivery rate of 16,000 units. The rationale for using a 15 year time frame was due to the fact that the funding allocation for housing development granted to the EM over the past years from the Provincial DoH as well as the projected allocation over the Medium Term Expenditure Framework (MTEF) translated into 16,000 subsidies per annum. In order to reduce this time frame, the annual allocation of subsidies to the EM would need to be increased substantially.
In an attempt to simplify the IHDP, and avoid indicating project progress over each of the 15 years, a short, medium and long term approach was undertaken with each term comprising 5 years. The short term covers years 2003 to 2007, the medium term years 2008 to 2012 and the long term years 2013 to 2017.

While the initial intention of the IHDP was to equally spread the range of in situ upgrade and greenfield projects over the 15 year period, increasing pressure from National and Provincial Government to address informal settlements or "eradicate slums" has resulted in the Plan being designed to focus largely on the completion of all the in situ upgrade and relocation projects within the short and medium terms. This would involve targeting more in situ upgrade projects and reserving a larger proportion of sites in greenfield projects towards accommodating relocated households from settlements earmarked for partial upgrade or complete relocation. However the Plan has been designed to be flexible enough to change priorities.

5.2 Annual Targets and Funding Required

The tables to follow illustrate the type of interventions, range of subsidies, delivery targets, applicable funding sources and time frames in which to successfully meet the housing backlog in the EM.

<table>
<thead>
<tr>
<th>INTERVENTION</th>
<th>SUBSIDY TYPE</th>
<th>COST PER SITE</th>
<th>NO. OF SITES</th>
<th>DOH FUNDING</th>
<th>EM FUNDING</th>
<th>TOTAL FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>INFORMAL SETTLEMENT UPGRADE</td>
<td>NATIONAL SUBSIDY</td>
<td>R30 000</td>
<td>8 000</td>
<td>R240 000 000</td>
<td></td>
<td>R240 000 000</td>
</tr>
<tr>
<td></td>
<td>EM TOP UP GRANT</td>
<td>R12 500</td>
<td>(8 000)</td>
<td>R100 000 000</td>
<td>R100 000 000</td>
<td></td>
</tr>
<tr>
<td>SUB TOTAL</td>
<td></td>
<td></td>
<td>8 000</td>
<td>R240 000 000</td>
<td>R100 000 000</td>
<td>R340 000 000</td>
</tr>
<tr>
<td>GREENFIELD PROJECTS</td>
<td>NATIONAL SUBSIDY</td>
<td>R30 000</td>
<td>8 000</td>
<td>R240 000 000</td>
<td></td>
<td>R240 000 000</td>
</tr>
<tr>
<td></td>
<td>EM TOP UP GRANT</td>
<td>R12 500</td>
<td>(8 000)</td>
<td>R100 000 000</td>
<td>R100 000 000</td>
<td></td>
</tr>
<tr>
<td>SUB TOTAL</td>
<td></td>
<td></td>
<td>8 000</td>
<td>R240 000 000</td>
<td>R100 000 000</td>
<td>R340 000 000</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td></td>
<td></td>
<td>16 000</td>
<td>R480 000 000</td>
<td>R200 000 000</td>
<td>R680 000 000</td>
</tr>
</tbody>
</table>

The table above illustrates the type of interventions, range of subsidies, cost per unit/site, number of units/sites per subsidy, DoH funding, EM funding and total funding required on an annual basis from year 2005 to meet the backlog. Given the fact that two years have passed within the short term programme i.e. 2003-2007.

5.3 Funding Assumptions

In generating Table 1 above, the following assumptions were made:

i. With regard to interventions, the annual delivery target of 16 000 units has been split equally between informal settlement upgrade and greenfield project interventions. As mentioned earlier the Plan is designed to be flexible and priorities can be adjusted accordingly. Within the greenfield project intervention,
the assumption is that other types of housing initiatives such as medium density housing, in-fill housing as well as social housing will be accommodated.

ii. The average housing subsidy from the DoH will be R30 000 per unit.

iii. Due to the high standard of engineering services stipulated by the EM, a top up grant is made available by the EM for all approved housing projects. The average grant of R12 500 per site has been applied in the table.

iv. When the proposed National DoH initiatives such as the Medium Density Housing Programme, informal settlement upgrading strategies, housing assistance in emergency circumstances, etc. are implemented, they would each have their own funding implications. Funding for these new programmes will be followed up once the details of the programmes are approved at by the National Department of Housing.

5.4 Total Funding Required per Annum

Table 1 above illustrates that in order to deliver 16 000 housing opportunities in 2005, the total DoH funding required will need to be in the region of R480 million per annum, the EM’s contribution will need to be R200 million per annum and the total funding required for the year will need to be in the region of R680 million.

5.5 Housing Subsidy Targets

The Housing Subsidy Targets for the IHDP are outlined in Table 2 below.

Table 2: Summary of Annual, Short, Medium and Long Term Targets over a 15 year Time Frame

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>INFORMAL SETTLEMENT UPGRADES</td>
<td>8 000</td>
<td>40 000</td>
<td>40 000</td>
<td>40 000</td>
<td>120 000</td>
</tr>
<tr>
<td>GREENFIELD PROJECTS</td>
<td>8 000</td>
<td>40 000</td>
<td>40 000</td>
<td>40 000</td>
<td>120 000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>16 000</td>
<td>80 000</td>
<td>80 000</td>
<td>80 000</td>
<td>240 000</td>
</tr>
</tbody>
</table>

The above table illustrates the broad intervention, the estimated number of sites required per annum, in the short, medium and long terms, and the total number of sites required to meet the backlog by 2017.

A total of 80 000 sites need to be upgraded during each of the terms which results in 120 000 sites being upgraded in total for the IHDP. As with upgrade projects, a total of 80 000 sites or units will be required for greenfield projects for each term which also results in 120 000 units being required in total for the Plan. Greenfield projects will need to accommodate not only households from informal settlements earmarked for complete relocation, but also households from in situ upgrade projects requiring relocation due to de-densification or other factors.

In addition the greenfield projects will need to meet demand from households residing in overcrowded conditions as well as meet general demand from qualifying households who simply require a housing opportunity. Should the demand for
greenfield sites increase as a result of an unanticipated number of relocations from informal settlement related interventions, including approved DoH upgrade projects, the target for greenfield sites will need to be accordingly increased as long as overall annual and term targets are met. The IHDP has been designed to be flexible to accommodate change in priorities and change in circumstances.

The greenfield projects will also need to incorporate medium density housing, in-fill housing as well as social housing initiatives.

The overall targets for all interventions in each term totals 80 000 sites while the target for the entire Plan totals 240 000 units. The targets for each intervention could be amended as and when necessary provided that the annual target of 16 000 units is maintained.

5.6 Total Funding Required

The total funding required for the IHDP over a 15 year time frame from year 2005 is outlined in Table 3 below.

Table 3: Summary of Annual, Short, Medium and Long Term Funding for the IHDP

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>DoH FUNDING</th>
<th>EM FUNDING</th>
<th>TOTAL FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANNUAL</td>
<td>R480 000 000</td>
<td>R200 000 000</td>
<td>R680 000 000</td>
</tr>
<tr>
<td>SHORT TERM (2005/6-2007/8)</td>
<td>R1 028 200 000</td>
<td>R637 000 000</td>
<td>R2 150 200 000</td>
</tr>
<tr>
<td>MEDIUM TERM (2008/9-2012/13)</td>
<td>R3 070 372 260</td>
<td>R1 305 430 383</td>
<td>R4 375 802 643</td>
</tr>
<tr>
<td>LONG TERM (2013/14-2017/18)</td>
<td>R3 918 659 506</td>
<td>R1 666 096 729</td>
<td>R5 584 756 235</td>
</tr>
<tr>
<td>TOTAL</td>
<td>R8 017 231 766</td>
<td>R3 608 527 112</td>
<td>R11 625 758 878</td>
</tr>
</tbody>
</table>

Note: Above figures escalated at 5% per annum.

The table above illustrates the DoH funding, EM funding and total funding required in 2005 as well as over the short, medium and long terms to meet the housing backlog in the EM. Once again a delivery of 16 000 sites per annum over a 15 year period is assumed. It should be noted that 2 of the 15 years have been completed and funding requirements have been projected between the years 2005 and 2017.

The calculations made in the above table assumed an annual increase of 5% (as per an average CPIX index) for the National housing subsidy throughout the duration of the IHDP while the EM’s increase in top up funding has been calculated from year 2008 onwards. The latter is due to the fact that the EM has already committed a specific amount towards the funding of the top up grant over the next three years. Other factors such as potential amendments to the National Housing Policy, allocation of housing funds from National and Provincial levels to the EM, the ability of the EM to continue its commitment (beyond 2008) to funding the top up grant in the context of financial constraints. would affect the above figures.

With regard to the DoH funding, a total of R1 513 million will be required within the short term, R3 070 million within the medium term and R3 918 million within the long term. This results in an overall total of R8 502 million throughout the duration of the
IHDP. The total EM funding required within the short term is R637 million, R1 305 million for the medium term and R1 666 million for the long term. The total commitment required from the EM towards IHDP is in the region of R3 608 million. The EM funding excludes all bulk service related investment provided by the respective service units.

The combined funding commitment required from the DoH and the EM over the short term is R2 150 million, R4 376 million over the medium term and R5 585 million over the long term. The overall combined commitment required for the entire IHDP is in the region of R12 111 million.

5.7 Housing Backlog Reduction

The reduction in Housing Backlog over the 15 year Housing Plan is set down in Table 4 below.

Table 4 : Housing Backlog Reduction - Total: 240 000

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>SUBSIDIES PROVIDED</th>
<th>REMAINING BACKLOG</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHORT TERM (2003-2007)</td>
<td>80 000</td>
<td>160 000</td>
</tr>
<tr>
<td>MEDIUM TERM (2008-2012)</td>
<td>80 000</td>
<td>80 000</td>
</tr>
<tr>
<td>LONG TERM (2013-2017)</td>
<td>80 000</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>240 000</td>
<td></td>
</tr>
</tbody>
</table>

6 Land Availability

6.1 Constraints

Land availability and land demand for low income housing in the EM has been addressed to an extent in the Housing Unit’s Strategic Housing Framework for the EM. However, a number of constraints to land acquisition need to be acknowledged. These include amongst others, the lack of well located and suitable land, poor geotechnical conditions, high land values, competing land uses, environmental restrictions, land claims, conflicting interests especially with adjoining communities, etc. In addition the acquisition of land, particularly in cases where there is mixed land ownership, i.e. a combination of either Municipal, State, private and unregistered owners, has resulted in the need for different approaches to negotiations and different procedures for acquisition. This has resulted in unnecessary delays and often frustration. Despite the difficult context in which housing officials have had to operate, the identification and assessment of land for housing continues.

6.2 Land Required

The total target for greenfield related projects from Table 2 is 120 000 sites which translates to a vacant land requirement of approximately 6 000 hectares assuming a density of 20 dwelling units per hectare as per current conventional housing delivery. As mentioned earlier, if the demand for greenfield sites increases as a result of an
unanticipated increase in the number of relocations required from informal settlement interventions, the amount of vacant land required for greenfield projects will increase as well.

In the context of National Government imperatives as well as IDP objectives, the focus will be on increasing housing densities in appropriate locations thus reducing the amount of vacant land required. This shift towards eliminating urban sprawl and towards more sustainable settlements is acknowledged and accepted as it also drastically reduces the amount of funding that the EM will require to budget for extending bulk infrastructure and providing new community facilities.

6.3 Location of Vacant Land

The majority of vacant land in the EM is located to the North of the City and is predominantly under private ownership. The potential therefore exists to develop greenfield housing opportunities and to take advantage of the rapid growth already taking place in this region. Further land also exists to the west of the City. However land in the western area is not ideally suited to meet the objectives of densification or improved access due to long distances from commercial and industrial development. A significant amount of land in the western area has already been approved for housing development. Land to the south of the City is quite scarce due to existing development with the remaining undeveloped land being unsuitable or too costly to develop due to the steep terrain.

With regard to the central area of the City, the amount of vacant land is limited in comparison to the other regions, however the overwhelming bulk of vacant land in the central area has already been informally settled. Despite the current distribution of informal settlements in the EM, it has been acknowledged that housing opportunities will need to be created across the whole of the EM. The central area does however provide excellent opportunities for small infill development as well as the development of medium density housing projects.

Vacant developable land supply calculations were drawn from the Land Cover Study undertaken by the EM’s Corporate Policy Unit. A total of approximately 205 000 hectares was identified as “undeveloped” which comprised 22.5% of the total land area of the EM. This definition excluded all forms of active farming and forestry. Extracting the environmentally sensitive land identified within the EM from this total (calculated at approximately 63 000 hectares) and assuming that half of the remaining land is considered undevelopable in that it may possess attributes which preclude or restrict development such as inter alia geology, slope and access or make it undesirable or unviable from an affordable housing point of view, a balance of 71 000 hectares can be deemed developable.

Based on the need for approximately 6 000 hectares of land for greenfield projects based on a conventional delivery model, the low income and affordable housing market will require only 8.5% of the total amount of developable land in the EM.

7 Housing Delivery Programme

7.1 Overview

As mentioned earlier the IHDP provides a framework for the Housing Programme. To reiterate, the IHDP is intended to be flexible and provides a
guide as to the types of interventions, the eventual number of sites which need to be provided and the anticipated funding required in order to successfully meet the housing backlog by 2017. The number of sites required for the respective interventions, expressed as targets, would need to be revisited and amended to suit circumstances, provided that the total number of sites (i.e. 16 000 per annum) outlined in the Plan are adhered to. The Housing Programme on the other hand comprises the list of DoH approved projects (majority of which are still being implemented) as well as a list of all proposed projects within the EM. The Housing Programme will attempt to meet the targets suggested in the IHDP provided the necessary funding is provided. A map of all approved and proposed housing projects has also been prepared and is attached.

7.2 Project Cycle Duration

Assuming accreditation of the EM, a project cycle of two years is anticipated for all proposed projects identified in the Programme.

7.3 Available Land

An exercise to map all the informal settlements according to the housing interventions and time frames proposed has been undertaken. In parallel to this exercise, a map depicting all the potential vacant land greater than 5 hectares in key areas of the City has also been produced. These tracts of land have also been prioritised as potential greenfield projects and allocated time frames. The intention of the map is to identify which settlements requiring relocation could be accommodated on suitable vacant land in immediate proximity and within similar time frames without unduly disrupting the lives of the informal residents. This mapping exercise is an ongoing activity and the map is updated as proposed economic or activity nodes are identified and developed.

8. List of Housing Delivery Projects for the 5 year IDP

The following table identifies proposed projects which are to be included in the housing delivery program. Map 2 indicates the spatial location of the proposed projects.

Attachments:

Table 1: Schedule of proposed housing delivery projects
Map 1: Location of Informal Dwellings in the EMA
Map 2: Location of proposed projects.