**National Treasury, Cities Support Programme**

**Outline for Housing Strategy Workshop for Metropolitan Municipalities**

# Introduction

Shisaka Development Management Services (Pty) Ltd (Shisaka) has developed a Housing Strategy Tool which enables municipalities or provinces to model different housing intervention options by quantifying funding, land and management implications and assessing impact on the targeted households. This provides a basis to assess various housing intervention options as part of developing a housing strategy as part of the overall human settlement framework.

The Tool was originally developed to scope and assess fiscal implications and options for the housing sector for the National Department of Human Settlements and also for the Financial and Fiscal Commission. The Tool has also been applied in developing the housing component of human settlement strategy for the Nelson Mandela Metropolitan municipality, in reviewing the draft Integrated Human Settlement Framework for the City of Cape Town and in background research supporting the development of an Integrated Human Settlements Framework for the Western Cape Province.

The Cities Support Programme would like to brief and if appropriate equip metropolitan municipalities in South Africa with the capacity to apply the tool as part of the process of developing the housing component of their long term human settlement strategy and to inform the development of their annual Built Environment Performance Plans (BEPP).

Accordingly this document outlines a workshop with senior officials from the Metropolitan Municipalities. The purpose of the workshop will be to introduce and demonstrate the Housing Strategy Tool to senior metropolitan officials. A discussion can then be initiated through the Cities Support Programme on how to use this approach to support housing strategy development in the metropolitan municipalities.

# OUTLINE OF WORKSHOP

Formulating a comprehensive long term housing strategy that will deal effectively with the scope of the current and projected housing need within the real resource limitations (funding, land and management) of a municipality is an essential component of the development of a realistic overall human settlement strategy.

**The Housing Strategy Tool is an excel based model, that can be used to determine the resources required for alternative housing interventions and their potential effectiveness in dealing with households in need across the different housing circumstances in a specific municipality.** The tool can also be used to scope and assesse different strategic options (combinations of interventions) for addressing all of the current and projected housing needs in a municipality within current real municipal resource constraints. The resources are detailed in terms of funds required, the source of funds, nature of management required and the scale and nature of developable land required. In addition the tool assesses the proportion of targeted households that will be assisted through the alternative strategies.

**The Housing Strategy Tool covers the following components:**

1. **Clarifying the strategic context for the housing strategy** including the socio economic and spatial context to which the housing strategy must respond generally; and the scale and nature of the housing need (specified in terms of the number of households in need across different suboptimal housing conditions);
2. **Scoping the range of possible housing interventions** to be assessed for each of the defined housing conditions;
3. **Reviewing the cost, funding and impact implications** (affordability, land required, management requirements and qualitative impact on the Spatial Development Framework priorities) for each of the interventions and on the basis of this scoping alternative housing delivery strategies for the City (the alternative combinations of interventions for dealing coherently with the full range of housing need as defined in a) above); and
4. **Reviewing the alternative housing delivery strategies** in terms of resources required as well as impact for households in need (quantitative assessment) and the city's ongoing efficiency and sustainability (qualitative assessment).

Critical to the housing strategy tool being useful, is to unpack the current conflation between human settlements and housing as a single component of human settlements. The housing strategy tool specifically focuses on the housing component of human settlements, but within the context of broader integrated human settlement concerns as highlighted in the overall economic, spatial and financial strategies of the city. It also provides a base for coordinating and aligning the housing strategy with the transport and social and basic services infrastructure plans for the City.

As indicated above the Housing Tool has now been applied in five areas at a national, provincial and municipal sphere. In all cases the substantive and procedural learnings were the same:

* **The quantification of housing needs in terms of existing sub optimal housing conditions and projected lower income household growth in a metropolitan area is fundamental** to focusing the decision makers on the real scale of the housing challenge in their area of jurisdiction. This then moves beyond problematic quantification approaches such as housing waiting lists etc.
* **The scoping and assessment of the costing and funding arrangements for different housing interventions is essential** to clarify the implications of different strategies to the ability of municipalities to meet their current and projected housing need within expected fiscal allocations as well as cope with the burden on the municipalities own resources in respect of the capital budget and the municipal management capacity.
* **The impact of different housing interventions in terms of the proportion of households likely to be assisted through the different interventions** must be clearly understood before embarking on a particular housing strategy as well the relative impact of alternative strategies on broader municipal priorities of spatial and operational efficiencies and more equitable access to municipal amenities.

It is proposed that at least two senior officials from each of the nine metropolitan municipalities be invited to attend the housing strategy tool workshop. The useful profile of these officials should be discussed and agreed with the CSP. In addition key specialists in the CSP should also attend. If possible the total number of participants should be limited to not more than 30 people