

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
18 June 2019
(Also the agenda for the Mayoral Committee Meeting : 26 June 2019)**

**7.
OVERSTRAND HOUSING PROJECTS: PROGRESS UPDATE**

17/5/5/2

A Jacobs

(028) 313 5075

Hermanus Administration

20 May 2019

1. Executive Summary

The purpose of this report is to provide Council with an update on the progress of all the housing projects currently being undertaken in the municipal area.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Infrastructure & Planning

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance

Provision and maintenance of municipal services

Creation and maintenance of a safe and healthy environment

The encouragement of structured community participation in the matters of the municipality

Promotion of tourism, economic and social development

4. Delegated Authority

None

5. Legal Requirements

Constitution of the Republic of South Africa, 1996

Housing Act, 1997 (Act 107 of 1997)

National Housing Code, 2009

Local Government: Municipal Finance Management Act (Act 56 of 2003)

Local Government: Municipal Systems Act (Act 32 of 2000)

Administration of Immovable Property Policy of the Overstrand Municipality, as amended

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6. Background/Discussion/Evaluation/Conclusion

Background

The purpose of this report is to provide Council with an update on the progress of all the housing projects currently being undertaken in the municipal area. These projects all form part of the Municipal Housing Five-Year Strategy as contained in the Integrated Development Plan (IDP).

This report is prepared by the Housing Planning Department and focuses on the municipal housing program and projects planning issues. Housing administration and beneficiary issues are not dealt with in this report.

Discussion / Evaluation

A short summary will be given of completed projects, projects currently in progress and the projects that will commence within the next financial year. The projects for which pre-planning funding applications will be submitted to the Department of Human Settlements will also be included in this report.

6.1 Recently Completed Projects

Zwelihle Upgrading of Informal Settlements Program (UISP)

Site C2 Houses

The project site is located along Still Street and Swartdam Road next to Mariner's Village. It consisted of the development of 132 low-income BNG units. The houses were completed and handed over to qualifying beneficiaries during September 2018.

Total Approved Funding from DHS*	R17 840 479
Expenditure to Date	R17 204 156
Balance	R636 323

*Department of Human Settlements

The balance available is made up of the Disability Allowance (R372 323) and Transfer Fees (R264 000). No disabled units were constructed, therefore only the transfer fees will be claimed once transfers have been effected.

Housing Administration Site Houses

The project site is located along Still and Church Streets on the property of the Zwelihle Housing Administration Offices. It consisted of the development of 39 low income BNG units. A total of 164 units will eventually be developed on the site, of which the 39 units is only the first phase. The first phase was

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therefore completed during November 2018 and was subsequently handed over to the qualifying beneficiaries. The second phase (and last phase) will be to convert the 250 Temporary Relocation Area (TRA) units to 125 BNG units at the end of the UISP project.

Total Approved Funding from DHS	R5 166 313
Expenditure to Date	R4 668 531
Balance	R497 782

The balance available, as indicated above, is made up of the Disability Allowance (R106 378), Additional Geotechnical Allowance for Hard Rock Conditions (R313 404) and Transfer Fees (R78 000). Only the transfer fees will be claimed once transfers have been effected.

Gansbaai: Fountain Hill (FLISP)

The Gansbaai GAP Project, also known as the Fountain Hill development, entailed the development of 155 serviced sites on a portion of the Gansbaai Commonage, Erf 210. The project was approved by Council in 2012 and by the DHS in 2013 and the installation of civil infrastructure was completed during 2015.

An agreement was entered into with the municipality's implementing agent (IA) to develop affordable housing on the property. To facilitate this, the IA purchased 31 of the erven from the municipality at market related prices and erected 11 show houses. By September 2017 only 4 houses were sold and the agreement between the municipality and the IA lapsed.

In November 2018, the Council resolved that the remaining 124 serviced sites could be made available to qualifying beneficiaries of the Finance Linked Institutional Subsidy Program (FLISP).

6.2 Current Projects

Hawston: Integrated Residential Development Program (IRDP)

The project comprises the development of 378 sites for BNG housing and 107 serviced sites for affordable housing (FLISP).

Civil Infrastructure

Funding approval for the installation of civil infrastructure was received from DHS during April 2017 and construction commenced shortly thereafter. Completion of the civil infrastructure was originally planned for the end of June 2018. The project was delayed by the liquidation of the original contractor, civil unrest, the passing away of the second contractor,

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unseasonal heavy rains and the replacement of the third contractor due to poor performance. The fourth contractor was appointed in June 2018 and the final completion date is the end of June 2019.

Total Approved Funding from DHS	R25 983 993
Expenditure to Date	R24 642 684
Balance	R1 341 308

Houses (378 units)

Funding approval for the houses was received during June 2018. Due to the delays experienced with the installation of civil infrastructure, the construction of the houses could not start as planned.

However, the contractor for the houses established on site during February 2019. The project will be completed in four phases with hand overs taking place after completion of each phase. The first phase is expected to be completed during September 2019 and final phase during December 2020.

Total Approved Funding from DHS	R54 662 000
Expenditure to Date	R4 576 367
Balance	R50 085 633

Gansbaai: Blompark IRDP

The project comprises the development of 544 sites for BNG housing.

Civil Infrastructure

Funding approval for the installation of civil infrastructure was received from DHS during August 2017 and construction commenced during November 2017.

Completion of the civil infrastructure was planned for November 2018. Unfortunately, the contractor was liquidated during May 2018 and the project was put on hold. A new Contractor was appointed and work commenced again during November 2018. Completion of the work is expected by the end of June 2019.

Total Approved Funding from DHS	R29 161 120
Expenditure to Date	R23 381 732
Balance	R5 779 388

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The balance includes allowances for Transfer Fees & Beneficiary Administration (R707 200), balance to be paid on completion at the end of June 2019 (R3 254 140) and additional funding for geotechnical variances (R1 818 048) to be paid in the new financial year.

Houses (544 units)

The application for funding of the houses will be submitted to DHS during June 2019.

An amount of R2 000 000 was provisionally included in the 2019/2020 Municipal Budget for the construction of houses.

Gansbaai: Beverly Hills UISP

The project comprises the in-situ upgrading of 100 sites.

Funding approval for the installation of civil infrastructure was received from DHS during November 2017 and the contractor established on site during December 2017.

Completion of the civil infrastructure was planned for July 2018. Unfortunately, the contractor was liquidated during May 2018 and the project was put on hold. A new Contractor was appointed and work commenced again during December 2018. Completion of the work is expected by the end of June 2019.

Total Approved Funding from DHS	R5 010 319
Expenditure to Date	R4 148 624
Balance	R861 695

The balance will be paid out by the end of June 2019 upon completion of the project.

Gansbaai: Masakhane IRDP

The project comprises the development of 296 sites for BNG housing.

Funding application for the installation of civil infrastructure was submitted to DHS at the end of May 2018. Approval was received during November 2018. The contractor established on site during February 2019 and completion is planned for end of November 2019.

Total Approved Funding from DHS	R19 562 362
Expenditure to Date	R3 459 612
Balance	R16 102 750

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A funding application for the houses will be submitted to DHS after completion of the civil infrastructure.

Gansbaai: Masakhane UISP

The project will comprise the development of approximately 1 184 serviced sites.

Civil Infrastructure

The funding application for the installation of civil infrastructure was submitted to DHS in May 2018. Approval is awaited and it is envisaged that the project will commence during the 2019 / 2020 financial year.

Stanford IRDP

The project comprises the development of 783 sites for BNG housing.

Civil Infrastructure

The funding application for the installation of civil infrastructure was submitted to the DHS in May 2018. Approval was received in April 2019.

The contract between the Municipality and DHS are in the process of being finalized, where after the contract with the Implementing Agent will be signed.

It is envisaged that the Contractor will establish on site during June 2019. The installation of civil infrastructure is expected to be completed in September 2020.

Total Approved Funding from DHS	R40 971 624
Expenditure to Date	R0
Balance	R40 971 624

A funding application for the houses will be submitted to DHS after completion of the civil infrastructure.

Hermanus: Zwelihle UISP - Mandela Square

This phase of the Zwelihle UISP project comprises the development of 83 enhanced serviced sites to accommodate the 156 families of Mandela Square. These families are currently accommodated in the TRA. Two sets of services (connections for water, sewer and electricity) will be developed on most of the sites to accommodate two families on each site.

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The Contractor established on site during February 2018. Completion of the civil infrastructure was planned for end of August 2018. As a result of the civil unrest in Zwelihle which started at the end of March 2018 and the liquidation of the civil Contractor during May 2018, the project was delayed.

A new Contractor was appointed during April 2019 and the new estimated completion date is August 2019. This is however subject to approval of the additional funding requested from DHS during May 2019. Families currently residing in the TRA will be relocated back to their allocated sites in Mandela Square after completion of the civil infrastructure.

Total Approved Funding from DHS	R7 346 072
Expenditure to Date	R2 401 394
Balance	R4 944 678

Hermanus: Zwelihle UISP - Transit Camp & Asazani

The project entails the in-situ upgrading of the two informal settlement and the development of 154 enhanced serviced sites. Construction will commence after completion of services on Mandela Square. Planning approval has been obtained and a funding application for the installation of civil infrastructure will be submitted to DHS during June 2019.

An amount of R1 500 000 is provisionally included in the 2019/2020 Municipal Budget.

Hermanus: Zwelihle IRDP - Site C1 Houses (150 units)

This site was previously included as the Zwelihle component of the Hermanus Affordable Housing Project. After interactions with the Zwelihle community and the civil unrest it was agreed that the sites would be developed as BNG housing for potential beneficiaries on the waiting list from Zwelihle.

Approval for the development was received from DHS during August 2015 under the old subsidy quantum. A funding application will be submitted to DHS in terms of the current subsidy quantum during June 2019 and it is envisaged that the project will commence during the 2019/2020 financial year, subject to the approval of the funding. An amount of R2 000 000 was provisionally included on the 2019/2020 Municipal Budget.

Kleinmond: Land Investigation

An investigation to identify suitable land for integrated development was undertaken during 2017/2018 and is still in progress. The professional team completed a detailed contextualization of the current urban design and structure in Kleinmond, made recommendations on future urban design

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concepts and densification within Kleinmond and identified and investigated various parcels of land for a spectrum of development opportunities.

These preliminary proposals were workshoped with municipal officials and the Project Steering Committee and a draft report was prepared. The report can only be finalised once the verification of the actual need and demand for various types of housing in Kleinmond have been completed.

The Municipality engaged with the DHS to assist with a detailed field survey and the financing of the verification process and data base compilation. The DHS appointed a service provider, the NGO "Violence Prevention through Urban Upgrades" (VPUU) during March 2019 to complete the survey of all informal and backyard structures in Overhills and Proteadorp.

Further community engagement, procurement of field workers from the local areas where the surveys will be done and training of field workers will now commence, and the actual surveys are expected to start during June 2019. It is expected that the field work and data capturing will be completed towards end of August/September 2019.

Once completed, the report will be completed and submitted to Council for consideration. If approved, detailed planning will start.

Total Project Budget	R1 074 644
Total Approved Funding from DHS	R500 000
Balance provided by the municipality	R574 644

Hermanus: Mount Pleasant/Westene IRDP

The two sites previously forming part of the Hermanus Affordable Housing Project (GAP) in upper and lower Mount Pleasant, together with nine other identified infill sites in Mount Pleasant and Westdene forms part of this development.

A Pre-planning funding application was submitted to DHS during June 2018 and approved in November 2018. Consultants were appointed during December 2018 and planning is currently in progress. The latest estimate is that the project will yield approximately 250 serviced sites.

Total Approved Funding from DHS	R426 431
Expenditure to Date	R305 667
Balance	R120 764

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6.3 New Projects

Buffeljagsbaai

The extension of the Urban Edge was approved by Council at the end of February 2019. An application for pre-planning funding will be submitted to DoHS during June 2019.

Provincial catalytic projects (Priority Housing Development Areas)

The DHS and the municipality are working together to identify project that can be included as Provincial Catalytic Projects. These project will also be proposed as Priority Housing Development Areas as envisaged in the National Department of Human Settlement's new Human Settlements Medium Term Strategic Framework.

The areas under consideration are:

- The Schulphoek Development Area
- The Hermanus West Development Area. This is the area stretching from Hawston to the western extent of the greater Hermanus urban edge.

Conclusion

It is recommended that Council take note of the progress of the various housing projects currently being implemented in the Municipality.

7. Financial Implications

See report

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

None

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RECOMMENDATION TO THE COUNCIL:

that the progress of the various housing projects currently being implemented in the Municipality, **be noted**.

RESPONSIBLE OFFICIAL :	A JACOBS
TARGET DATE FOR IMPLEMENTATION :	3 JULY 2019
TARGET DATE TO INFORM APPLICANT :	N/A
TARGET DATE TO INFORM OBJECTOR :	N/A

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Hermanus Administration

20 May 2019

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
18 JUNE 2019, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

that the progress of the various housing projects currently being implemented in the Municipality, **be noted.**

RESPONSIBLE OFFICIAL :

A JACOBS

TARGET DATE FOR IMPLEMENTATION :

3 JULY 2019

TARGET DATE TO INFORM APPLICANT :

N/A

TARGET DATE TO INFORM OBJECTOR :

N/A