

Annex 2: Synthesis of Options for Change

Working document – 30 Nov 2001

Source and Status	Describe proposal or implemented change	Describe problem it seeks to redress
The Housing Subsidy Scheme – implementation	<p>Providing subsidy assistance to disadvantaged individuals to assist them to gain access to housing. Favours width over depth to balance need against fiscal constraints.</p> <p>The state alone cannot meet the needs of the homeless – housing delivery within a normalised market to attract maximum private investment – balance between state intervention and the effective functioning of the market.</p>	In 1994: Scale of housing and services backlog inherited from apartheid, rapid growth in housing demand, low rates of formal housing provision, low incomes and associated inability to afford adequate housing using own financial resources alone, lack of end user finance. Skewed income profile and severe affordability problems at lower end of the market.
The Development Facilitation Act – enacted, implemented	Create a new policy framework based on norms and standards, policies and principles (a normative planning approach, based on a right-based culture)	Control-orientated approaches of the past, designed to restrict land development rather than promote it. Lack of enforcement.
	Create a common national development procedure for all areas	Multiple routes, fragmentation
	Fast-track development procedures	Time consuming development procedures, long delays

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The People's Housing Process – implementation	The People's Housing Process was established in 1997 with the main aim of helping households to acquire subsidies and build houses for themselves. By contributing their own time, skills and labour (sweat equity) the subsidy value could be maximised and a bigger, higher quality house could be built	House size and quality; downward raiding. Need to overcome lack of involvement of beneficiaries in selecting and shaping housing delivery products. Lack of "ownership" of housing products being delivered resulting in beneficiaries selling of subsidised housing at below the subsidy value.
First picked up in Annual Report of DOH 2000-20001 Verified in HIV/AIDS and construction research Effective from April 2001	Amendment or enhancement of subsidy eligibility criterion that disqualifies people who are already home owners, but qualify on all other criteria, from subsidy access	Subsidy eligibility criteria: People who were able to construct a basic house or an informal structure, that did not meet minimum municipal health and safety standards, could not access the subsidy. Neither could those who bought serviced sites from private developers, which limited the construction of top structures.
Housing code Effective from April 2001	Revision to the project linked subsidy payment system	Delays in the processing of payments, and the inability of developers and contractors to bridge the financial gaps between milestones and draw dawns (Introduction of more than 1 payment for P5 inparticulat) Add / expand
Annual Report of DOH 2000-20001 Under consideration	Accommodation of co-ownership of a single residential property	People cannot jointly own a single residential property in the current subsidy policy (beyond the ambit of community of property or spousal relat).
Housing Amendment Act 2001 has been approved and will take	Amendments to the Housing Act to outlaw the disposal of state delivered houses to purchasers other than the state for a period of 8 years	Households are disposing of their subsidised housing products often at below market value.

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effect soon		
Housing policy statements from the minister Proposals under consideration	The promotion of special needs housing delivery and emergency housing delivery processes	Attempts to address HIV/AIDS issues in a lot of provinces is seen as possible through special needs housing delivery. Emergency housing development is a response to the Bredell type process and the Goetbom case.
Minmec minutes, ministerial statements + provinces (Gauteng in particular) Proposals under consideration	The promotion of women in construction, including the introduction of quotas	Minister is a woman? (sorry, could not resist)... basically, I think the problem this intervention seeks to resolve is not entirely clear from the point of all concerned. Gauteng has started a whole women in housing process, claiming it is as per national policy (especially the quotas) but the source is ministerial speeches about women in housing, and a few references to the need to have more women involved in construction in by the minister in Minmec minutes.
Housing Policy Review – proposals in the pipeline	Shift from supply to demand driven processes: government supplies subsidies in relation to needs articulated at the local level through municipal integrated development plans. Proposals calls will be issued for housing development and adjudicated on the basis of value for money.	Housing funds allocated on a project by project basis by provincial departments of housing and through developers “conniving” with housing waiting lists
	Greater involvement of beneficiaries and small contractors in the construction process	National norms and standards. Fragmented delivery of components of the delivery process – developers use maximum amount on township development and internal services installation, remainder for top structure to sub-contractors and beneficiaries. Insufficient to build adequate housing.

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	The promotion of medium density housing development and institutional housing solutions for those who can afford them	Lack of integrated settlement patterns
	Equity contributions a pre-requisite for subsidy assistance / promotion of beneficiary contributions to the costs of development through equity contributions – in kind (sweat equity) or cash (personal savings or employer contributions)	Assume insufficient beneficiary contribution and fiscal constraints. Acknowledgement of the financial limitations of the subsidy amounts attempt to limit onward sale at below market value
	Financing mechanisms that promote a package of contributions by leveraging equity contributions, subsidies and lending finance	As above
	Support mechanisms for housing beyond the ambit of subsidisation, a progressive movement away from subsidisation and greater emphasis on supporting beneficiary economic self-sufficiency and people-centred development	As above Considerations of the long-term lack of financial sustainability of subsidy system- this does not go as far as saying that the subsidy scheme should be stricken off the department's budget, but the review states positively that the subsidy scheme is not sustainable to the state and that it is a short-term intervention to alleviate the anomalous outcomes of apartheid in terms of housing development, and which should last until housing markets have been stabilised.
Green Paper on Development and Planning Proposals superseded by White Paper	Delegation of certain decisions to professionals where there are not objections and the application is consistent with the policies of the municipality. Neighbour consent for minor, un-contentious applications	Speed up bureaucratic procedures
	Any decision to change land use should be made on the basis of LDO/IDPs	Ad hoc assessment of applications to change land use

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	Development rights should be exercised within a set time period or be lost	Speculation on awarded development rights
	Establish a single approval route that includes the range of sector approval requirements	Multiple approval routes for planning, environment, transport and other sectors. Slow land development.
	Set a firm time limit on decision-making where failure to comply could result in automatic approval	Extended periods to obtain decisions on applications
	Introduce a staged approval process for large applications in terms of which detailed investigations are submitted only once approval in principle is obtained	High up front preparation costs to developers incurred on risk
	Giving applicants and objectors a fair hearing???	Problems in participation and transparency in decision making
White Paper Draft	A uniform set of procedures for land development approvals. One set of such procedures for the whole country. Thorough, yet speedy, consideration of applications as well as meaningful involvement of the public in those decisions. The relevant land use regulator in each case will be responsible for reaching the decision but the procedure throughout the country will now be uniform.	Different procedures apply in different provinces, and even within a province in different apartheid race zones. Every municipality in the country is responsible for the administration of a range of different regulatory systems for managing land-use, an inheritance from apartheid policies. This means that different procedures have to be followed by applicants, different standards have to be met and different opportunities are available to members of the public affected by proposed developments. It also greatly increases the administrative burden on under-capacitated municipalities and contributes to the lengthy time periods it takes to get applications processed.
	Where a proposed development is not permissible in terms of the prevailing land use management scheme, then permission is required from the appropriate land use regulator. Land use regulators	Lengthy approval times. Especially in the larger cities the backlogs of applications waiting to be considered by municipal authorities are substantial. This has negative economic impacts on the

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	<p>are a proposed category of authorities able to take the different types of decision falling into the realm of spatial planning and land use management. The most prevalent land use regulators will be municipalities. Each province will have a provincial land use tribunal and appeal tribunal that will be land use regulators in specified situations. Nationally the Minister will be a land use regulator of last resort, only acting in cases where there has been neglect or flouting of the national principles and norms.</p>	<p>municipalities.</p>
	<p>The alignment of the procedures for land development approval with those presently required in terms of the Environment Conservation Act for environmental impact assessments ('EIAs').</p>	<p>The overlap between the procedures for land use change or land development approval, in terms of planning legislation, and those required in terms of the environmental impact assessment (EIA) provisions of the Environment Conservation Act. Between planning permission requirements and environmental impact requirements. Rezoning and consent.</p>
	<p>The rights to a particular use and development of <i>land should not be granted in perpetuity</i>. There must be clear provisions to the effect that once use and development rights have been granted they must be exercised within a specified time frame. In addition rights already held by landowners but not yet exercised must lapse within a specified time period unless they are realised in the interim.</p>	<p>Inappropriate historical rights: In many urban areas landowners hold use and development rights granted under inherited planning legislation, some dating as far back as the 1940s. In many cases these rights can be ignored - and realized - by the rights-holders at their leisure. In other cases however they represent a significant obstacle to the reconstruction and integration of towns and cities. Municipalities are afraid to plan in ways that might impact on these rights, out of a fear that they will be liable to pay compensation. This problem is aggravated by the sense that development rights, once granted, survive indefinitely, until such time as</p>

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		the landowner elects to realize them.
	<p>Normative based spatial planning, land use management and land development system through principles and norms. General, fundamental values and principles of right action / authoritative rules or standards.</p> <p>Link between development control (land use management) and forward planning (IDPs). Development control not the only means to implement forward planning —power to stop particular types of development and to encourage desired types of land development.</p>	<p>Too much control, not enough facilitation: The emphasis in local government has been on controlling land development as opposed to facilitating it. This has led to a sense of dissatisfaction with planning, linked to an unrealistic notion that simply because something is included in a plan it will necessarily happen. Increasingly however there is an awareness that one cannot get something to happen when the only tools at your disposal, in this case zoning schemes, are effectively instruments of control, designed to restrict land development rather than promote it.</p>
		<p>Weak enforcement: Those controls that are in place – to prevent illegal, unsafe, environmentally unsound land development – are only rarely enforced. This is the result of two factors. Firstly, many of the controls that are unenforced are in fact inappropriate, particularly insofar as they affect the poor. Secondly, there is a general lack of law enforcement capacity in local government. These two factors combine to create a sense of impossibility: the problem is so big and the resources so small that the problem simply cannot be tackled</p>