


Introduction to the Housing Development Agency

Briefing Workshop

For the Portfolio & Standing Committees:

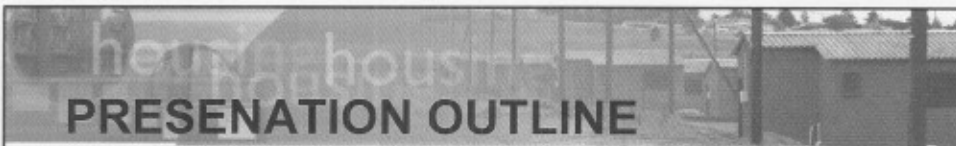
Towards the establishment of the
Housing Development Agency

Friday, 18 January 2008




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PRESENTATION OUTLINE

- Background
- Rationale for establishing the HDA
- Functions of the Agency
- Institutional Arrangements
- Funding Arrangements
- Organisational and Personnel Implications
- Transitioning to the Agency
- Consultation and Way forward



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BACKGROUND

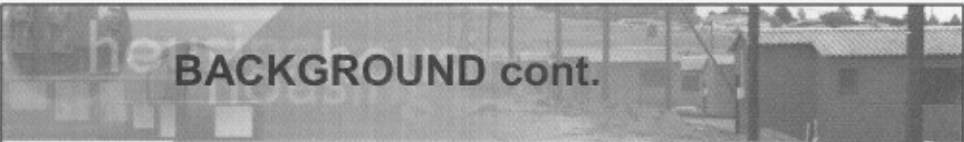
- ❑ September 2004: Comprehensive Plan for the Development of Sustainable Human Settlements adopted
- ❑ One key objective of the plan in achieving sustainable human settlements is the enhancement of the location of new housing projects and envisages the following interventions in this regard:
 - The accessing of well-located public land and the acquisition of well-located private land for integrated housing development;
 - Funding for land acquisition and development; and



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BACKGROUND cont.

- The development of fiscal incentives to support the development of well-located land.
- Land acquisition to be undertaken in a manner that facilitates coordinate, integrated and quality human settlement development in South Africa.
- ❑ In August 2006, Cabinet mandated the Minister of Housing to submit a full proposal on the SPV for broader land requirements to address the challenges of housing delivery.



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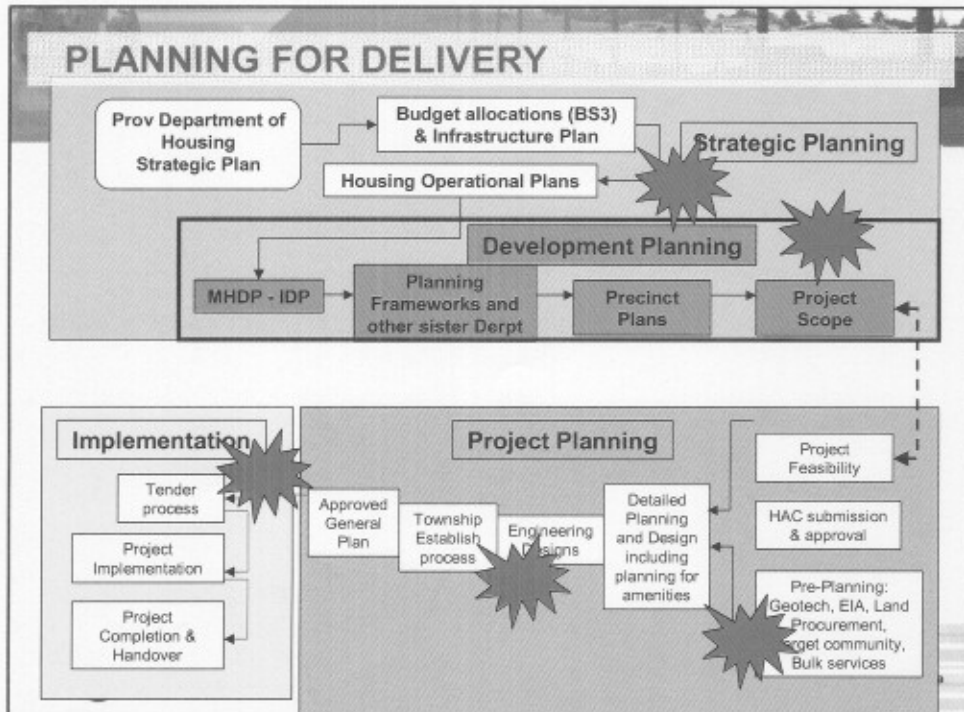
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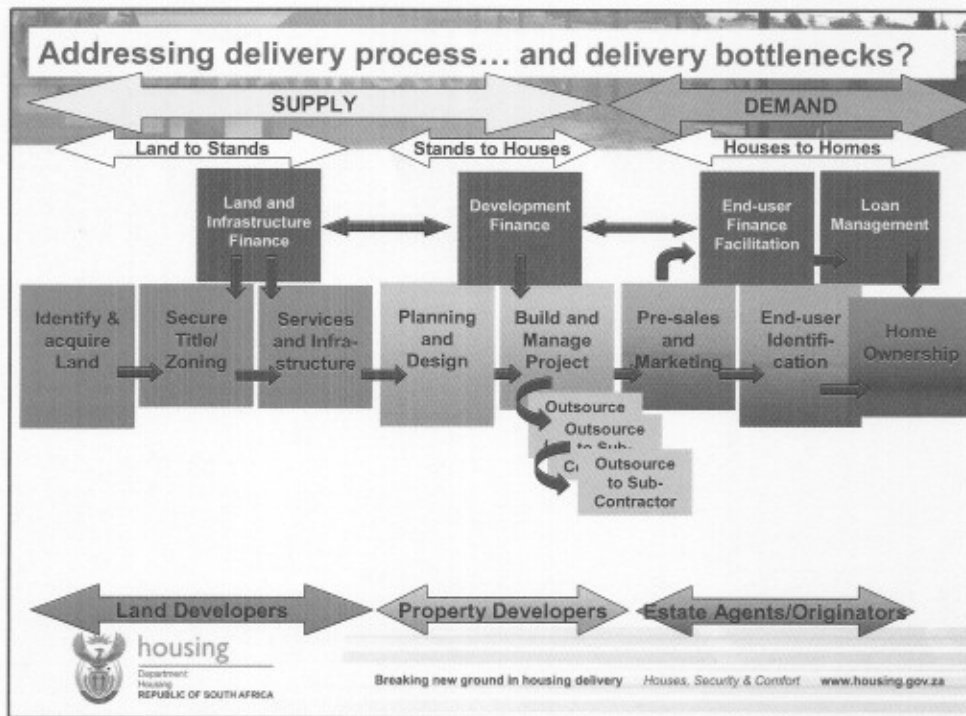


Appreciating the nature of the problem






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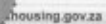





Comprehensive Plan: Intervention areas

Financial Services Market	Incremental Housing	Rural Housing	Social/Rental Housing
<ul style="list-style-type: none"> •New credit linked scheme •Social amenities •Housing Land •Assets management •Rectification •Sales •Relocation assistance 	<ul style="list-style-type: none"> •Project linked •PHP •Individual •Informal Settlement •Emergency •Consolidation •Higher density for ownership •Special needs 	<ul style="list-style-type: none"> •Farm worker housing •Rural subsidies •Indigenous technologies 	<ul style="list-style-type: none"> •Social Housing •Private rental •Hostels •Community Rental units •Affordable Rental


Capacity Building

Integrated Planning Management

Land Acquisition


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"Rapid Delivery of Housing"

Time for different but decisive action to achieve delivery impact and acceleration.

So, Why the Housing Development Agency?




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RATIONALE FOR ESTABLISHING A Housing Development Agency

- Access to, and the rapid release of, well-located land for integrated housing is one of the cornerstones for the success of Comprehensive Plan for Development of Human settlements.
- The creation of integrated communities with convenient access to social and economic opportunities needs well-located suitable land
- Well-located land near employment and social amenities is particularly scarce and costly BUT remains pivotal to spatial restructuring
- The shortage of and inability to access suitably well-located land for the delivery of integrated human settlements has been a source of frustration for both the public and private developers.
- Provincial and Local governments *struggle to acquire suitably located land due to inadequate capacity and procedural inefficiency* with the result that housing developments continue to be located on the periphery of towns and cities



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RATIONALE FOR ESTABLISHING A Housing Development Agency (cont.)

- It is clear that alternative methods to acquire and secure suitably located land need to be explored.
- The establishment of the Housing Development Agency will further strengthen the state's capability for acquisition of land for housing purposes and so improve the development of integrated human settlements as desired
- International experience of Housing Development Agencies in India, China and Malaysia provided valuable insights



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RATIONALE

Capacity of Local Government

- Inadequate levels of capacity (skills, expertise, experience & appropriate qualifications) to perform spatial integration and development planning functions at a local government level,
- the poor performance/ achievements relating to spatial integration and (slow) processing of development applications cannot be ignored
- serious capacity weaknesses in municipalities often undermine service delivery



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Further Rationale

- The magnitude of the Housing crisis demands that **all** avenues and solutions be pursued.
- Agency is only one of the interventions that need to be exhausted especially in the context of the need to accelerate delivery.
- This is consistent with the Constitutional imperative and obligation that the State (NDoH) must do everything in its power to progressively increase access to Housing.



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FUNCTIONS OF THE HOUSING DEVELOPMENT AGENCY

- The Housing Development Agency will *inter alia*:
 - Facilitate the identification, acquisition, management, and release of land for human settlements purposes *augmenting capacities of municipalities and provincial departments, and collaborating with the Departments of Land Affairs, Public Works and Provincial & Local Government*;
 - Provide project management expertise in human settlements projects & facilitate development of projects through accelerated & innovative project packaging – also inclusionary & mixed housing dev.;
 - Acquire land through expropriation where necessary



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INSTITUTIONAL ARRANGEMENTS

- The Agency will facilitate the acquisition of land where Provinces and/ or municipalities lack capacity – so HDA is complementary
- Municipalities through their housing sector plans will provide need assessments (extent of land required for development)
- The Agency will identify, acquire & release land on behalf of PHDs and municipalities for human settlement's development purposes



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FUNDING ARRANGEMENTS

- Dedicated funding for Land acquisition for human settlements development is very critical (BNG):
 - Fiscus to provide capital budget
 - NDoH operational budget
 - MIG (via municipalities) for land development.
- Agency agreement will be entered into, where the Housing Development Agency becomes the agent of DLA, Provinces and/ or Municipalities.



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ORGANISATIONAL & PERSONNEL IMPLICATIONS

- The Agency will be established in terms of an **Act of Parliament** (enabling legislation)
- The **organisational form** is envisaged to be a State Agency (DPSA/ NT guidelines on corporate Form)
- The governance structure of Housing Development Agency will consist of a **Board** appointed by the Minister of Housing



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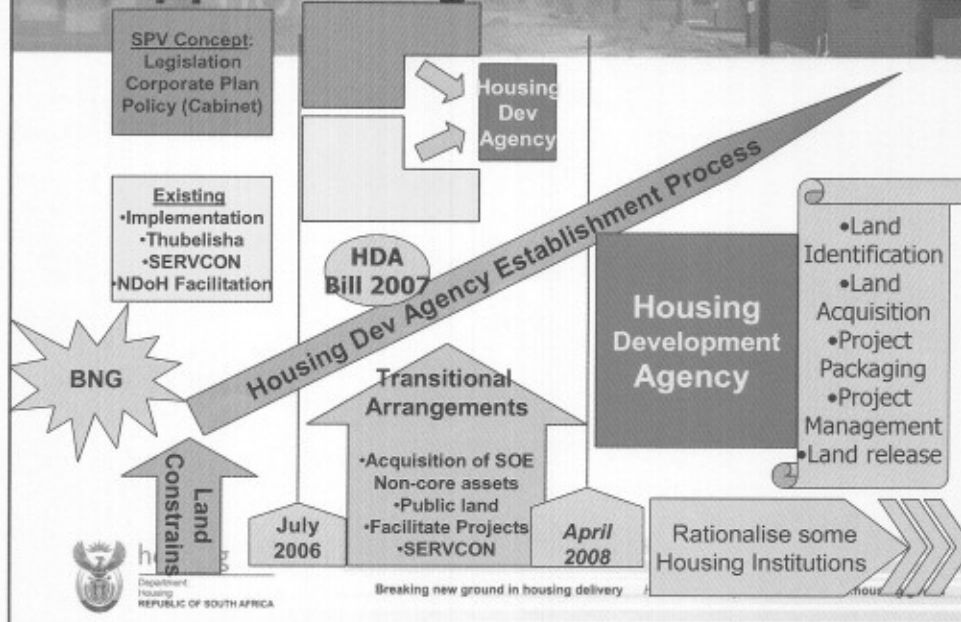
CONSULTATION AND WAY FORWARD

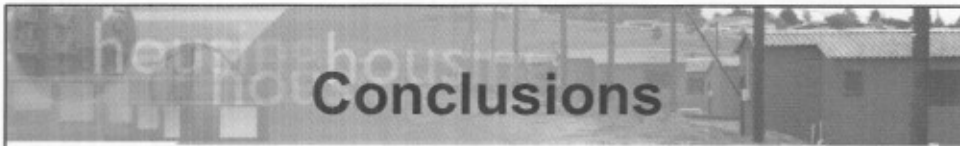
- Housing Minmec (incl SALGA) has confirmed its support for the HDA
- Consultations & concurrence of other Departments:
 - Land Affairs/ Public Works/ Transport/ dplg
 - DPSA and National Treasury (joint effort to address compliance)
 - Social Sector Cluster endorsed the HDA
- CABINET approved the HDA Bill
- Public Comment
 - Positive outcome of Regulatory Impact Assessment
 - Construction companies expressed support for HDA
 - Public comments received
- Parliament processing



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Appreciating the transition





Conclusions

- The HDA Bill approved by Cabinet (08 November 2007)
- HDA Bill now certified to be processed by Parliament
- The operation of the Agency is an extremely URGENT priority for 2008



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Problems arise in delivery,
but there are innovative solutions
at hand...!



Thank you



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