

# PRESENTATION TO THE PORTFOLIO COMMITTEE

## RINGFENCED FUNDING - NATIONAL PRIORITY PROJECTS

02<sup>ND</sup> MAY 2012



**human settlements**

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Human Settlements  
**REPUBLIC OF SOUTH AFRICA**

# Purpose

The purpose of this presentation is to provide the Portfolio Committee with a report on progress on implementation of the National Priority Projects which are funded by out of a 20% ring-fenced allocation out of the Human Settlements Development Grant (HSDG)



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# Expected Outcomes

- Improved living conditions in sustainable human settlements for the communities in the targeted areas;
- Increased cooperation from sector departments in aligning their delivery and funding priorities with that of this Department;
- Accelerated delivery of human settlements to address housing backlog.
- Human settlements that promote racial and socio-economic integration;
- Fulfill mandates as espoused in the State of the Nation Address of the President and the Budget Speech of the Minister; and
- Addressing urbanization and spatial structuring in a coordinated manner.



# Projects Identified

## Cabinet Endorsed Projects

- Cornubia
- Lephalale
- Lufhereng

## Other Priority Projects

- Khutsong Project
- Sweetwaters Project
- Diepsloot Project
- Duncan Village Redevelopment Project
- Drommedaris Project

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# FUNDS ALLOCATED

PROVINCE	PROJECT NAME	2011/12	2012/13	2013/14
EASTERN CAPE	Duncan Village	120,000	126,140	136,830
KWAZULU-NATAL	Cornubia	132,000	137,280	144,144
LIMPOPO	Lephalale	110,506	114,998	120,979
WESTERN CAPE	Drommedaris	68,585	71,328	74,895
GAUTENG	Doornkop/Lufhereng	200,000	208,000	218,400
	Diepsloot	100,000	104,000	109,200
	Sweetwaters	50,000	52,000	54,600
	Khutsong	105,000	109,200	114,660
TOTAL		886,091	922,946	973,708

# CABINET APPROVED PROJECTS



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where dreams take root

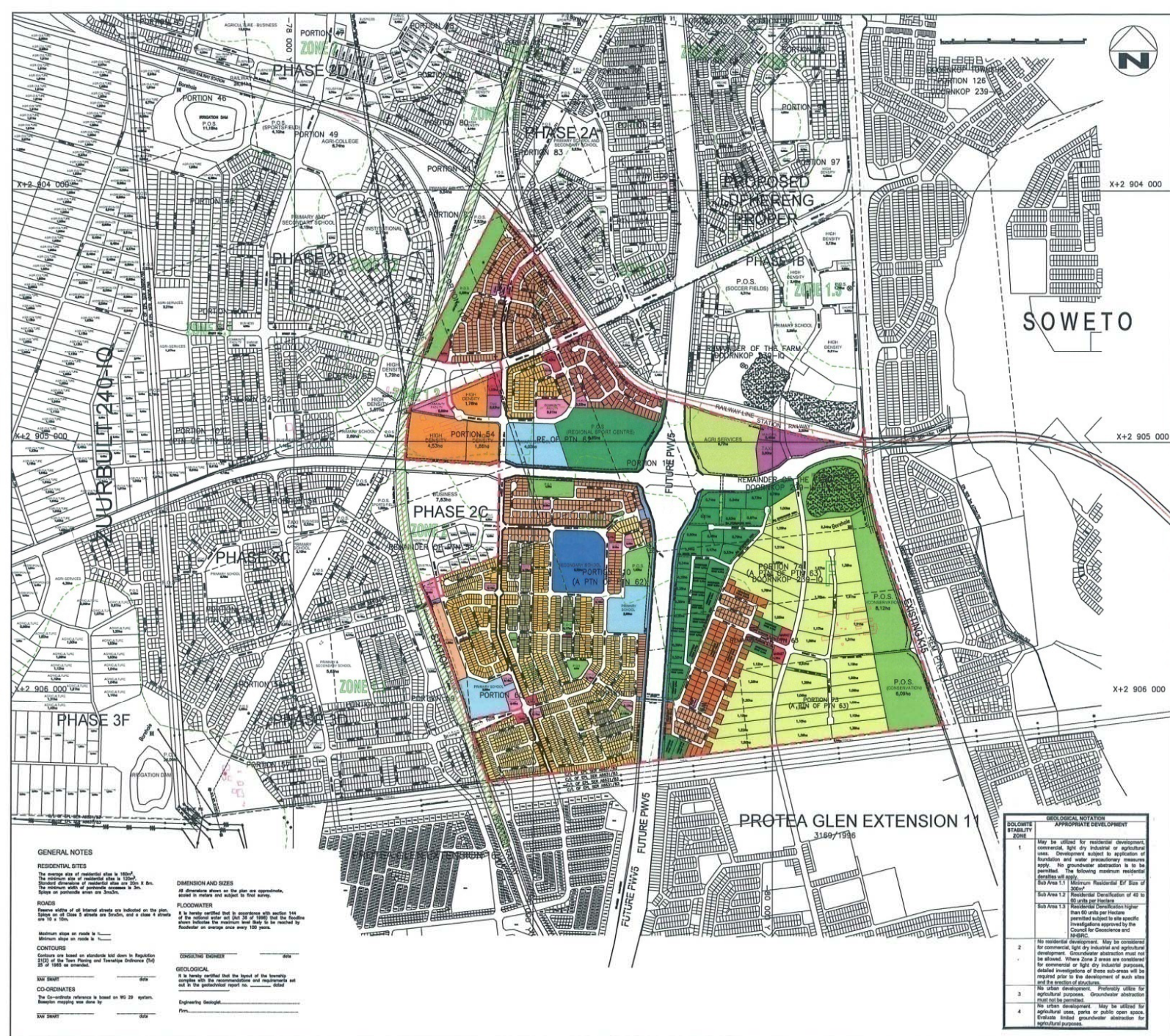


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**PROJECT**  
**PROPOSED TOWNSHIP**  
**LUFHERING EXTENSION 2,3,4**

SITUATED ON PART OF PINS 54,55,56, PIN 60A1, RE OF PIN 62, REMAINDER OF PIN 63, PART OF PIN 72A, PIN OF PIN 63, PART OF PIN 74A, PIN OF PIN 63, PART OF PIN 82,102,103,104,105,106, PIN 110A (PIN OF PIN 62), PART OF PIN 111, PART OF RE OF THE FARM DOORNKOP 239 CD.

LOCAL AUTHORITY : CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY  
 DISTRICT : ROODEPOORT/SOWETO  
 GEODESICAL SYSTEM : WGS 87

LOCALITY : SCALE: 1:50 000

**LAND USE**

SEE SEPARATE SHEETS

**GENERAL NOTES**

- OUTSIDE BOUNDARY OF TOWNSHIP
- GEODESICAL ZONES
- 1:50 YEARS FLOODLINE
- 1:100 YEARS FLOODLINE
- LINE OF NO ACCESS
- FARM PORTIONS

**AMENDMENTS**

NO.	DESCRIPTION	C. PUBLISHED
1.	LAYOUT AMEND TO ACCOMMODATE ENGINEERS COMMENTS.	C. PUBLISHED 09.07.2008
2.	LAYOUT AMEND TO ACCOMMODATE ENGINEERS COMMENTS.	C. PUBLISHED 14.07.2008
3.	LAYOUT AMEND TO ACCOMMODATE ENGINEERS COMMENTS.	C. PUBLISHED 29.07.2008
4.	LAYOUT AMEND TO ACCOMMODATE ENGINEERS COMMENTS.	C. PUBLISHED 13.08.2008
5.	LAYOUT SPLIT INTO 3 TOWNSHIPS	C. PUBLISHED 01.10.2008

**CLIENT**

TOWN PLANNER: H. Mokoale  
 COPYRIGHT RESERVED

SCALE: 1:50 000

DRAWING No.  
**Lufhering 2,3,4**  
**D5/01.10.08**

LAYOUT PLAN STATUS:  
**DRAFT**

**Joburg**

**URBAN DYNAMICS**  
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**GENERAL NOTES**

**RESIDENTIAL SITES**  
 The average site of residential sites is 1000m<sup>2</sup>  
 The minimum site of residential sites is 1000m<sup>2</sup>  
 The maximum width of residential sites is 20m x 40m.  
 Sites in pinkish areas are to be avoided.

**ROADS**  
 Reserve widths of all lateral streets are indicated on the plan.  
 Sites are of Class 2 which are 20m wide, and a class 3 streets are 10 x 10m.  
 Minimum street width is 10m.

**FLOODPLAIN**  
 A 1:50 year floodline is indicated with broken lines.  
 A 1:100 year floodline is indicated with solid lines.  
 Sites within the floodline are to be avoided.  
 Foundation on average every 100 years.

**CONTOURS**  
 Contours are based on altitudes indicated in Register 2103 of the Town Planning and Transfer Ordinance (No 25 of 1955) or otherwise.

**CO-ORDINATES**  
 The Co-ordinate reference is based on WGS 87 system.  
 Boundary mapping was done by

**DIMENSION AND SIZES**  
 All dimensions shown on the plan are approximate.  
 Errors in meters and subject to final survey.

**CONSULTING ENGINEER**  
 \_\_\_\_\_ date

**ENGINEERING DESIGNER**  
 \_\_\_\_\_ date

**DATE**  
 \_\_\_\_\_ date

**SOLOMITE STABILITY ZONE**

**GEODESICAL NOTATION**

**APPROPRIATE DEVELOPMENT**

1	May be used for residential development, commercial, light dry industrial or agricultural uses. Development subject to application of foundation and water precautionary measures apply. In groundwater abstraction is to be permitted the following maximum residential densities will apply: Sub Area 1.1 Residential Density of 40 to 60 units per hectare Sub Area 1.2 Residential Density of 40 to 60 units per hectare Sub Area 1.3 Residential Density higher than 60 units per hectare Residential Density higher than 60 units per hectare permitted subject to site specific investigations approved by the Council for Geoscience and Hydrology.
2	No residential development. May be considered for commercial, light dry industrial or agricultural development. Groundwater abstraction must not be permitted. Where Zone 2 areas are considered for commercial or light dry industrial purposes, detailed investigations of these sub-areas will be required prior to the development of such areas and no urban development. Priority uses for agricultural purposes. Groundwater abstraction must not be permitted.
3	No urban development. Priority uses for agricultural purposes. Groundwater abstraction must not be permitted.
4	No urban development. May be used for agricultural uses, parks or public open spaces. Evaluate local groundwater abstraction for agricultural purposes.

**PROTEA GLEN EXTENSION 11**  
 3189/1936



# Project Profile

Project size	2 082 ha
Total Project turnover	R4,6 bn (as at 2008)
Total housing mix	50:30:20 approach 7,619 subsidy (50% row and semi) 7,874 low end bonded & bonded (20 & 30%) 8,652 walkups (33% Subsidy, Rental, Sectional Title)
No. of project phases	3 (18 precincts / sub phases)
Total Housing units	24, 145 units
Development Programme	8 – 10 years (budget dependent)
Anticipate delivery pa	1,500 pa average
Project inclusions	480ha agri-estate, socio economic amenities
Land	7 portions privately owned and 65 portions owned by Gauteng Province <span style="float: right;">10</span>

# Project Progress

Internal services 2445 stands	Fully serviced with water, sanitation, roads and stormwater	Complete
Electrical reticulation 1475 stands	Subsidised and bonded	Complete
Temporary Bulk Elect	Supplied	2 December 2011
Home and Street lights	Electrified	R 47 mill
Prepaid meters	976 installed	By City Power



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2016 foundations	Complete
1913 wall plates	Complete
1376 units	Complete
1175 units	Occupied
1155	Allocations complete
1192	Title deeds to be registered upon opening of township register between April and July 2012
639	Bonded stands converted to fully subsidized units – 45% complete
Beneficiary Admin	6260 beneficiary applications received 3072 beneficiaries approved



# Progress-Socio amenities and Finance

- No progress on the provision of socio-economic amenities
- It Has been requested that this item be a standing item on the agenda of the project meetings so that relevant sector departments form part of these meetings to prioritise their involvement in the project
- Total estimated cost of project: R4.6 billion
- Expenditure of ring-fenced funding to date:  
R38 844 889.79



# Project Challenges

- Electricity supply
  - R133m is required for development
  - implications for bonded stock and cross subsidisation
- Provision of Socio-Economic Amenities
- Finalisation of farmer settlement process
  - 59 of 71 land portions must still be finalised
- Land Acquisition
  - Land in ownership of Public Works Department is yet to be released



# Project Profile

Location	North of Durban, bordered by the N2 freeway and the M41 arterial, 7 km south of King Shaka Airport In the Ethekwini Municipality
Estimated Cost	R24 bn
Total site area	1331 ha
Total developable land	568 ha of which 279 ha is industrial platform and 500 000m2 is commercial, 430 public open space (rehabilitated and DMOSS)
Lifespan of the project	Ph 1 & 2 : 3 – 8 years; Other Phases – 15 years
Number of housing units	About 24 320 (15 000 Subsidized)
Housing typologies	Double Storey semi-detached, Row, Duplex, 3-4storey walk ups & multi-storey apartments;
70 of 70 application	Consent received in November 2011
Framework plan	Approved in March 2011
Job fund	Application made for R524 million, 30% of total cost of phase 1 of R1.77 billion

# Project Progress

Land acquisition	Complete
Town planning Layout for Phase 1A	Approved
Bulk services	Installed
Collector bridge	90% complete
Roads	In progress
Tender for access road	Advertised 1 July 2011, awarded and work commenced in October 2011
EIA for Phase 1	Approval obtained in November 2011
Engineering Design for Phase 1 A	Complete
NHBRC enrolment	Project enrolled, houses enrolment submitted
Township establishment	Approved, Proclaimed, Gazetted
Appointment of Contractor	Tender included services and houses. Contractors on site
Internal services	Contractor on site
Top structures	Construction commenced in November 2011
Draft and show houses	6 show houses complete and 12 under construction



Land acquisition Phase 1B	Complete
Town planning layout	Complete and submitted for approval
EIA	Complete and RoD obtained
Engineering Design	Preliminary completed for 2263 sites
NHBRC enrolment	Application submitted for project and home enrolment
Township establishment	In progress. Submitted to Municipality Planning Component. Expecting approval by April 2012 . Township still to be Proclaimed and Gazetted
Contractor appointment	Tenders advertised for 623 sites for services and houses are being evaluated
	Internal services – tenders advertised on 18 November are being evaluated



# Project Challenges

- City budgets not aligned between housing and line departments
- City has not yet secured funding for public facilities estimated at R750 million including schools, clinics, community halls, police/fire stations, parks/playfields and libraries.
- Inadequate funding for bulk infrastructure provision.



# LEPHALALE

**A New Design on Life**



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# Project Profile

Location	West of Onverwacht, approx 11 km west of R33 on the road to Stokpoort (D1675) along the road that connects Matimba Station and Marapong Township in the Lephhalale Municipality.
Estimated date for house building commencement	2014
Lifespan of project	3 years
Estimated yield	4 167 residential units (mixed residential), business use areas, public use areas, education and other land uses primarily related to a residential land development concept.
Site area	547 ha, with a developable area of 343 ha
Development progress	Approved layout plan has been amended.



# Project Description

- Restructuring of the :
  - Lephalale area to maximise benefits from the mining industry development including Northern Mineral Belt;
  - Restructuring of the Lephalale Town into a mega city;
- Projects include:
  - National and Provincial land development
  - Marapong CRU Development
  - Improved bulk infrastructure





# Project Progress

## Marapong Community Residential Units Development

- Town planning processes are being finalised;
- The tender processes has commenced

## Bulk infrastructure

- Part of the ring-fenced funding planned to be utilised
- Procurement for project management has commenced

## Altoostyd Housing Development

- Project delayed due to bulk services constraints
- 4 000 temporary jobs expected to be created during construction.

Medupi Power station : construction commenced August 2001





## Marapong Community Residential Units Development

- Town planning processes are being finalised
- The tender processes have commenced

## Bulk infrastructure

- Contractor for bulk water and sewer has been appointed
- Preliminary designs complete
- Detail designs in progress
- Construction planned to start mid 2012

## Eskom contract for bulk electricity

- Definition of scope of work complete
- Evaluation of feasibility quotation complete
- Design specifications and standards formulated
- Detail design and costing in progress

## Altoostyd Housing Development

- Agreement between Limpopo Department and DBSA being drafted
- Market analysis update to be done
- Project manifesto review to be done-upon completion of market analysis

## Institutional Capacity Development

- Project management unit appointed to manage bulk infrastructure projects
- Procurement of project management office in progress

# Project Challenges

- **Solid waste**
  - No registered disposal sites and inadequate access to waste removal
- **Water challenge for Altoostyd**
  - Cost of 800dia pipeline and 10ML reservoir is estimated at R65 million which has not yet been secured
  - This will affect future development in the project
- **Storm water infrastructure**
  - Old and in need of repair
- **Electricity**
  - Eskom's objection to the development of Altoostyd
  - Insufficient capacity and old infrastructure



- **Roads**

- Roads are old and in poor state of repair

- **Sanitation**

- Detailed study needed to determine the size and location of the sewer network and final outfall sewer line

# OTHER NATIONAL PRIORITY PROJECTS



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# KHUTSONG PROJECT

Location	Gauteng Province within the jurisdiction of the Merafong City Municipality
Demarcation processes	Provincial responsibility moved from North West to Gauteng
Project yield	Originally planned to yield 18 000 units and after geotechnical investigations, 14 852 sites were suitable
Project phases	Phase 1 – 5500 units with subsidies from NW
Special conditions	Located on dolomitic soil conditions



# Project Progress

Civil engineering Ph 1.1 (1500 sites)	Bulk water, bulk sewer, bulk storm-water - 100% complete Internal water and sewer are 100%complete Surfaced roads 95% complete
Concrete palisade fencing	Contractor appointed. Site handover took place.
Internal surfaced roads and stormwater	To be constructed using available budget of R7million
Planning and design for the bridge over road and railway	Commenced
Civil Engineering Services: Phase 1.2 (4000 sites)	Bulk water, bulk sewer - 100% complete Internal water 100%complete and internal sewer is 97%complete



**Bulk Engineering Services:**

Bulk secondary sub-station is 75% complete for Phase 1  
Building of two secondary 11kv substations is 95%complete  
Bulk supply contractor busy with installation of 11KV cables and is 100% complete

**Internal Engineering Services:**

Designs and layouts completed for phase 1&2(14 852 stands)  
Department of Energy has allocated funding(R8.4million)-available April 2012  
Planning and procurement processes for installation of 5500 solar geysers has been completed





1827 foundations	Complete
1389 wall plates	Complete
610 units	Complete
Beneficiary admin	5667 beneficiary applications received 4943 beneficiaries approved



## Socio-economic amenities

- No progress has been made yet in the provision of socio-economic amenities to the project. Lack of funding is the cause

## Financial Information

- Total estimated cost is R5,4bn
- Accumulative expenditure as at 29 February 2012 is R335,947m

# Project Challenges

## **Bulk sewer connection**

- Delay in registration of services servitude over a privately owned land portion. This is affecting about 1900 houses that will not have sewer connections

## **Apron subsidy and top-up subsidy adjustment**

- Written confirmation of apron subsidy approval from Gauteng Province is still outstanding
- Contract for top-up subsidy signed by Merafong, but still outstanding from Gauteng Province



## Slow progress on site caused by:

- Poor performance of the contractor
- Slow inspecting of approvals of houses
- Delays in payments to the contractor by the Merafong Municipality

## Land Acquisition

- Not all land parcels have been secured for development.

# DUNCAN VILLAGE REDEVELOPMENT INITIATIVE

Location	Situated in Eastern Cape Province within jurisdiction of the Buffalo City Metropolitan Municipality (BCM)
Project peculiarity	Represents an amalgam of neighbourhoods that encompass a variety of living environments
Housing need	21000 housing units required but area can only accommodate 5000 housing units and the relocation area is green-fields development in Reeston



# Project Progress

Civil engineering services : Pilot Projects : 323 Units	Bulk sewer and water is 100% complete Internal water and sewer is 95% complete
House Construction	Reeston - 5050 units complete  Pilot Projects - 53 of the 323 units are complete
Beneficiary Administration	318 applications processed 294 approved
Financial information	<ul style="list-style-type: none"><li>• Total estimated cost for pilot projects is R32 988 733</li><li>• Accumulative expenditure as at 29 February 2012 was R9 579 138</li></ul>
Socio-economic amenities	Funding for MPCC for Reeston has been approved by EC Province and planning has commenced

# Project Challenges

- Work on 323 units delayed due to :
  - BCMM initially cancelling contract with contractor
  - late payments by BCMM
  - interference by community members
- Inadequate local authority capacity – in the BCMM Housing Unit
- Insufficient land for development
- Vandalism of the completed houses
- Insufficient funding for bulk services





# Sweetwaters Project

Location	Along the N1 South, 500m after the Grassmere Toll Plaza. Settlement borders the Kanana Park settlement, is in close proximity to the Finetown and Ennerdale residential areas
Project type	Project is a mixed housing typology development
Provincial prioritization	Identified by Gauteng Province as one of the 56 settlements suitable for formalization or in-situ upgrading
Project yield	Estimated project yield is 2689 residential units and 46 high density units



# Project Progress

## Land issues

### Land Portion P35

- notice of expropriation was sent to owner
- owner now willing to sell, expropriation cancelled

### Land Portion P30

- response on offer made is being awaited from the Executor of deceased estate

### Land Portion P32

- Outstanding rates need to be paid prior to issuing of the Clearance Certificate by COJ.
- This is delaying approval of layout plan and general plan\*\*\* challenge

## Town Planning

Layout complete for available portions of land  
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Top-structures	Construction cannot proceed due to lack of capacity at Sebokeng Wastewater Works (SWWW) to accommodate the development
Accommodation of beneficiaries	A relocation plan is being drafted to move affected people from Sweetwaters to adjacent Thulamntwana project
Beneficiary Administration	1145 applications processed 385 applications approved
Project office	To be established for the upgrade of the SWWW
Civil services	None (beneficiaries from Sweetwaters to be accommodated in the Thulamntwana Project)
General Plan	Approved



# Project Challenges

- The implementation of the project cannot proceed due to insufficient waste water treatment capacity at the SWWW.
- However it was resolved that affected families would be moved from Sweetwaters to the adjacent Kanana project in the Thulamntwana Project.
- The Province in conjunction with National Departments is undertaking a process to commence with the upgrading of the SWWW.



# Diepsloot Project

## Location

- Located in the Gauteng, North of Fourways CBD at the intersection of the R511 William Nicol and the N14 Krugersdorp Highway;
- Consists of Diepsloot West and Diepsloot East

## Estimated yield

Diepsloot West is 1 000 sites;  
Diepsloot East is 4500.



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# Project Progress

The Feasibility Study	Complete
Urban Design Framework	Complete
NHBRC Phase 1 Report	Complete
Layout plan	Initial draft completed, but had to be revised due to an area to be excluded from the development to protect rare bull frogs. A revised plan is awaiting comments/inputs from stakeholders
Preliminary engineering designs	Complete
Housing typology designs	Complete
Environmental Scoping Report	Complete
Expenditure as at 31 March 2012	R97 000 000 (R97 million was used by the Gauteng Province from the R100 million ring-fenced funding to pay for historical costs)

# Project Challenges

- Private land was purchased on the following conditions:
  - that the seller be the developer,
  - that the Gauteng Provincial Department guarantees availability of project funding (R1.2 billion), which is beyond the funding capabilities of the provincial department;
- Large portion of land has been lost
  - due to environmental requirements of excluding an area occupied by and traversed by rare bullfrogs.



- Shortfall of approximately R130 million for infrastructure.
- about 25000 families living in shacks adjacent to the project want to be housed in the development and will impact on the allocation of the subsidised units;
- There is no guarantee when services will commence due to the environmental issues that still need to be resolved.





# Drommedaris Project

Location	Situated in the Western Cape Province within the jurisdiction of the Drakenstein Local Municipality;
Project type	Initiated as a Peoples' Housing Process but houses are being constructed by a contractor
Project size	1588 planned units
Phases of project	Being implemented as Drommedaris 181 and Drommedaris 1407 housing project.



# Project Progress

Internal services	<ul style="list-style-type: none"><li>• Internal civil engineering services are 100% complete</li><li>• Installation of internal electrical engineering services is in progress;</li></ul>
Top-structures	<ul style="list-style-type: none"><li>• 157 foundations cast</li><li>• 10 units at roof level</li><li>• No units completed yet</li></ul>
Beneficiary Administration	<ul style="list-style-type: none"><li>• 679 subsidy applications have been approved.</li></ul>
Amount spent to date	R5 312 018.16 – The contract value for 1588 units is R121 439 913.57



# Project Challenges

- The implementation of this project has been delayed and taken time.
- As a result of delays, only a small percentage of R68.6 million funding allocated by the National Department for the 2011/2012 financial year has been spent.



# Thank You



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