

From: National Department: Human Settlements,
Provincial Government Western Cape,
and the City of Cape Town

1 June 2012

To: Chairperson
Parliamentary Portfolio Committee

REPORT BACK SCOTTSDENE SELF-HELP HOUSING PROJECT

1. BACKGROUND

A presentation was made to the Committee on 9 December 2011 reviewing all the housing initiatives undertaken in Scottsdene: past and present. Seven were reviewed. A subsequent meeting was held on the 22nd February 2012 concentrating exclusively on the Scottsdene Self-Help project.

At the latter meeting the *Kraaifontein Community Economic Development Forum* (KCEDF) claimed that:

The serviced plots created by the self-help scheme had been allocated to the community but are/have now been sold to developers as part of the Scottsdene Show Village initiative. These should now be returned to the beneficiaries of their children.

Unable to resolve the matter at the meeting, Portfolio Committee proposed that:

- a) The three spheres of government meet to discuss a method by which to resolve this matter;
- b) An investigation is done to confirm all the facts;
- c) Feedback is given to the Committee on the findings and how the plots can be given back.

This report is a written reply to the actions taken, the findings of the investigation and proposes a way forward.

2. ACTIONS TAKEN

- 2.1. A trilateral meeting was held between the 3 spheres of government on 7 March 2012.
- 2.2. Each sphere looked into its archives for historical records relating to the self-help project.
- 2.3. Verbal interviews were held with some of the officials who remember the project.
- 2.4. A dossier of documentation was received from the KCEDF.
- 2.5. A meeting was held with the KCEDF on 30 May 2012, in Scottsdale.
- 2.6. A write-up of the findings is found below.

3. HISTORY OF THE SCOTTSDENE SELF-HELP SCHEME

3.1. 1987-1994

- 3.1.1. Archives: Files consulted: A2103/1154/8; A2103/2339/2 and A2103/2351/1 of the *ex-House of Representatives*.
- 3.1.2. The project was initiated by the Divisional Council of Stellenbosch by asking for funding in late 1986.
- 3.1.3. The project provided for 168 new serviced erven specifically for "self-build" purposes.
- 3.1.4. It is located on original Portions 152 & 156: Scottsdale, so the area enclosed by Eon Drive, Ultralaan and Arendsestraat, about 8ha.
- 3.1.5. In 1989 the project was taken over by the new Western Cape RSC which incorporated Stellenbosch Divisional Council.
- 3.1.6. The Tender to install internal services only, was awarded to Power Construction in 1989.
- 3.1.7. Erven ranged between 250-650 square meters, was completed in 1990, and cost R1.6m.
- 3.1.8. The House of Representatives proposed to the Scottsdale Management Committee that 3 kinds of houses be delivered:
 - 3.1.8.1.1. Houses built with private loans;
 - 3.1.8.1.2. Self-build houses for people earning between R1000 and R1200pm; and
 - 3.1.8.1.3. Houses built with standard house-plans issued by the municipality for people earning between R800 and R1000pm, to a maximum house value/price of R30 000.
- 3.1.9. These were rejected by the Management Committee (various letters on file).
- 3.1.10. The first 30 were built and sold on the basis of self-build. A tender was issued to a building materials supplier.

- 3.1.11. Another 40 were then built with loans of R14 000 at 11.5% interest, and sold.
- 3.1.12. A further step was taken to sell a batch of plots to employers interested in housing their workers. This was never completed as governance changes and policy changes came about.
- 3.1.13. In 1991 government's loan-finance housing policy ended and replaced with a Site & Service policy driven by the IDT.
- 3.1.14. In 1992 the WC-RSC recommended to government selling the plots at R7500 (the new IDT scheme prices) rather than the cost price (between R10 000-12 000) be done.
- 3.1.15. It appears no decision was issued and hence no progress could be made.
- 3.1.16. The House of Representatives was dissolved around 1993, while the WCRSC was caught up in local government transition; this included the Scottsdene Management Committee.

3.2. 1995-2011

- 3.2.1. In 1995 the new Housing Act came into effect, which moved away from site and service development towards the Once-Off capital subsidy system (RDP housing).
- 3.2.2. The remaining erven did not fit into the new policy framework, and lay dormant for another 10 years.
- 3.2.3. In 2000, representations were made to the Oostenberg Municipality by residents. They submitted lists of names of people with an interest in buying the erven. No action could be taken as there was no policy framework for selling sites at the time.
- 3.2.4. In 2006 serviced sites that could be made available to developers with innovative or alternative building technologies were sought. The 98 erven in Scottsdene were chosen.
- 3.2.5. In 2008 the remaining 98 sites were subdivided by Council, giving 195 erven for demonstrating innovative building.
- 3.2.6. The plots were not sold to developers, but to interested home buyers in the vicinity.
- 3.2.7. A rule was that the houses may not cost more than R200 000, making them affordable to poorer communities.
- 3.2.8. In 2012 the last of the *Show Village* homes had been sold, thereby completing a project that started 20 years earlier.

4. FINDINGS

- 4.1. Of the original 168 erven created, 70 were completed.
- 4.2. 92 were left undeveloped as a result of;
 - 4.2.1. Changes to national housing policy, that is a shift from loan-financed housing to sites and service delivery (1990-1994);
 - 4.2.2. Restructuring of national government departments, that is the own affairs Departments where merged into provincial administrations;
 - 4.2.3. Democratisation of local authorities across the Republic: that is the Management Committees such as Scottsdene were abolished.
- 4.3. All tenders issued on the Scottsdene project were executed. There were three namely:
 - 4.3.1. for civil infrastructure installation;
 - 4.3.2. for 30 top-structures; and
 - 4.3.3. for 40 more top structures.
- 4.4. No further loan funding was approved or released by the House of Representatives.
- 4.5. No unfulfilled Sale Agreements could be found.
- 4.6. No Land Sale agreements could be found.
- 4.7. No unfulfilled contractual commitments over the remaining 98 erven could be found.
- 4.8. Various verbal commitments to resident groups over the years by political officer bearers and officials were made.

5. MEETING WITH KCEDF

A meeting was held with the KCEDF was held on 30 May in Scottsdene. An overview of the abovementioned finding was given and accepted as broadly correct. KCEDF repeated that the list of some 150 names previously submitted, and again at the meeting, had been forwarded to the Council several times, as far back as 2000. It was unfair to subdivide land of the Phase 3 of the self-help scheme and build a show village.

It was agreed that:

- 5.1. The Phase-3 sites sold to homeowners could not be undone.
- 5.2. A solution at accommodating the listed people in the current project would be sought.
- 5.3. The ID numbers of the people on the list would be supplied to Council (even if not all);
- 5.4. Council would check that (or if) they are on council's waiting list. This is a policy requirement to be on the waiting list to obtain state assistance. Such names would be referred to the PSC.

- 5.5. KCEDF would return to its membership and propose the possibility of either obtaining an BNG unit on a smaller erf, or wait for the development of larger erven in a next project on land still open and owned by PGWC, in Scottsdene.
- 5.6. KCEDF would seek representation on the Project SteerCom, with help for the Portfolio Committee, if necessary.

6. RECOMMENDATIONS

It is recommended that:

- 6.1. it be accepted that no outstanding contractual commitments exist;
- 6.2. there is severe housing shortage in Scottsdene, represented by the list of names submitted by the community;
- 6.3. the Scottsdene self-build housing project be regarded complete, since houses have now been built on all sites;
- 6.4. The names previously submitted by the KCEDF be forwarded to the Community Steering Committee of the current Scottsdene housing for consideration, alongside those on Council's waiting list.

J Kuhn
1 June 2012
CAPE TOWN