

URGENT



Ref: MD MOKOENA (19/03/2019)

THE SPEAKER

COUNCIL ITEM

IMPLEMENTATION OF MIXED DEVELOPMENTS AS PART OF PROMOTING SUSTAINABLE HUMAN SETTLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE: ESTOIRE AND BOTSHABELO WEST TURN KEY DEVELOPMENT IN THE MANGAUNG METROPOLITAN MUNICIPALITY

1. PURPOSE

The purpose of this report is to request the Mangaung Metropolitan Municipal Council's (Council) permission to dispose of Estoire and Botshabelo West for the implementation mixed developments as part of promoting Sustainable Human Settlements and Improved Quality of Household Life

2. STRATEGIC INTENT

- Outcome 8: Promote Sustainable Human Settlements and Improved Quality of Household Life
- SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable

3. FOR CONSIDERATION AND DECISION BY

Council

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4. INTRODUCTION

Property is the largest and most differentiated asset within any city and a significant part of a city's economy, especially insofar as it relates to household wealth, livelihoods, and the prospect of inclusive growth. As the property market grows and develops, housing can be an instrument of economic transformation with property values growing faster than inflation and offering leapfrog opportunities to lower income households as they benefit from the appreciation of their housing asset.

This creates further opportunities to leverage property with finance, supporting the development of small businesses which is so important in the context of low employment. At the same time, this activity contributes to a growing revenue base for the city, and improves its ability to invest in further growth and deliver appropriate services to the breadth of its population.

5. DISCUSSIONS

Section 26 of the South African Constitution (*Act 108, 1996*) states: *'Everyone has the right to have access to adequate housing. The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right'*. As a way of responding to this Constitutional requirement; the Mangaung Metropolitan Municipality has identified Estoire and Botshabelo West for the implementation mixed developments as part of promoting Sustainable Human Settlements and Improved Quality of Household Life

a. Estoire Settlement/Development

The Business Venture Investments No. 1267 (PTY) LTD purchased forty nine (49) agricultural small holdings in Estoire with the intention to establish a new township along the N8 Corridor. Whilst embarking on processes towards the development, the company was liquidated and could not as a result, proceed with the intended development initiative. As part of the N8 Corridor Development notion, the Mangaung Metropolitan Municipality (MMM) saw this as an opportunity to reinforce this notion and subsequently approached the Housing Development Agency (HDA) for support in the acquisition of this settlement.

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The HDA approved this project and solicited the sale. As the HDA could not provide funding, the Provincial Department of Human Settlements was approached by both the HDA and MMM and eventually availed funds to the HDA for the acquisition of this settlement for the benefit of MMM. At this stage HDA is assisting the MMM with the finalization of the statutory land development processes, as well as the proclamation of Estoire Settlement as a township.

b. Botshabelo West Ext.

The township establishment process has been finalised and surveyor general plan registered. The settlement has bulk water from the newly built reservoir, however, a pump station will have to be constructed to connect sewer due to the area being below the gradient for sewer.

6. DEVELOPMENT APPROACH

The Municipal Integrated Human Settlements Plan provides a strategic direction for future human settlements developments within the municipal area of jurisdiction. In line with this plan; Estoire and Botshabelo West as Turn-Key Developments; will follow mixed developments approach to address the housing backlog and create sustainable human settlements. These developments will promote the creation of investment-worthy areas in which private individuals and businesses will place their own resources, further leveraging the city's investment, and contributing to a growing rates base.

Research has shown that existing spatial patterns and poor housing reinforce poverty levels by requiring poorer households to spend a large proportion of their household incomes on travel and basic services. On these portions of land, social integration and cohesion will be facilitated by providing a mix of housing options. Collectively, these developments will entail various housing typologies and provide wide tenure options to beneficiaries, such as ownership, rent as well as mortgage loan options within the same geographic space. All these in close proximity to retail facilities and light industry in order to eliminate transport costs for residents and consumers while creating job opportunities around residential settlements.

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7. RECOMMENDATIONS

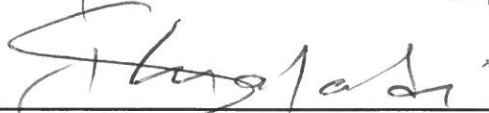
It is recommended that

- a) Mangaung Metropolitan Municipal Council dispose of Estoire and Botshabelo West Extension for development and in particular; the implementation of mixed developments as part of promoting Sustainable Human Settlements and Improved Quality of Household Life,
- b) Both Estoire and Botshabelo West Extension land parcels be advertised for Turn-Key Mixed Developments Proposals,
- c) Erven created for affordable housing in these developments be approved for sale in terms of Section 14 (2) of the Municipal Finance Management Act, Act 56 of 2003, and
- d) The private treaty sale of these capital assets be undertaken once land development processes and/or installation of services have been concluded in those areas and/or developments where applicable;



MD MOKOENA
GENERAL MANAGER: MIXED DEVELOPMENTS

Supported/~~Not Supported~~



ADV MJN PHALADI
HEAD: HUMAN SETTLEMENTS

Supported/~~Not Supported~~




ADV TB MEA
CITY MANAGER

20.3.19
DATE

20/03/2019
DATE

Recommended/~~Not Recommended~~



CLLR SM MLAMLELI
EXECUTIVE MAYOR

20/03/2019
DATE

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