



4 October 2016

**NDIFUNA UKWAZI**

Per email: [juliansendin@gmail.com](mailto:juliansendin@gmail.com)

Dear Mr Sendin

**DISPOSAL OF ERF 165639, FORESHORE KNOWN AS "SITE B" REQUEST FOR INFORMATION**

We thank you for your communication.

Please see the City's reply to the matters that have been raised.

**As it pertains to section 7:** We agree that we cannot use a blanket approach to these matters and, as a responsible government, we have to consider many factors at the same time. The specifics of each property have to be assessed when deciding on specific development requirements.

We are guided by, among others, our Integrated Development Plan, which is reviewed annually, when assessing the requirements of our city and our strategic considerations follow this plan, which is based on a holistic view of all of the requirements, bearing in mind the often competing interests, that exist in a dynamic urban centre.

Our Property Disposal Programme, is one tool that we are using to give effect to our strategic objectives. This programme, among others, enables the City to re-invest to meet our capital requirements and/or to buy other land suitable for delivering the City's service needs. This is such an example. The money that we are achieving through a selected few high value projects, is used for infrastructure investments such as roads, public transport interchanges, fire stations and amenities, to be able to deliver more services to the benefit of all the people of Cape Town.

With the rapid rate of urbanisation, the City must diversify its sources of income to create a stable environment for all of its residents. Development of the site by the private sector will also grow the city economy, create more jobs and increase rates income.

Expanding basic service delivery is indeed a key objective and the fruits of our efforts over the past 10 years are evident across the metro. Every piece of City-owned property, including parcels of land in the central city (Foreshore for instance), which has been included in the City's Property Disposal Programme, undergoes rigorous legal, financial, social, policy, process and other considerations and whether it is needed to provide municipal services or not.

The disposal programme leverages the City's assets to enable social and economic opportunities across the city.

In line with the above, apart from re-investing for our capital requirements, other recent examples include:

- making land available in the Khayelitsha CBD to the Khayelitsha Community Trust to on sell to Atlantic Philanthropies for the development of a Youth and Community Centre which will consist of administration offices, a classroom, a library, an auditorium, a hall, approximately five line shops and a parking area
- the lease of the Khayelitsha Lookout Hill to the Bandwidth Barn to provide development programmes to the Khayelitsha SMMEs and thus to serve as a business information technology hub
- the lease of erf 40806, Khayelitsha to Sucdo Primary Co-operative for meat wholesale trade including various groceries to micro-entrepreneurs and traders
- the sale of 31 social care sites in Wallacedene, Kraaifontein were sold to NGOs for the development of places of worship and crèches
- the leasing of a 1,5ha site in Philippi to Ithemba Labantu for the development of sports fields including associated recreation and education centres

**As it pertains to section 8 and specifically 8.1:** As a point of departure: This property was the last parcel of the former power station site, which was redeveloped to provide for additional commercial space in the CBD and to link the CBD to the Waterfront. The decision to dispose of Site B was taken by full Council (as required by the Municipal Asset Transfer Regulations) on 26 January 2011, which included the determination that Site B is not needed to provide the minimum level of basic services. This follows a previous decision by Council in 1994, for the sale of the property.

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For instance, social housing, due to the scale needed to deliver units, was not considered viable for this piece of land. It is a relatively small piece of land (3 932 square metres) and is of an irregular shape. Thus, development cost would be high, requiring a high income stream for a developer to justify a development. It is thus not a suitable site to consider for inclusionary housing.

However, in the Foreshore Freeway project - which is close by and not related to this particular land sale - there are more extensive land parcels, and here, the City is requiring the developer to provide inclusionary housing. This is also the case for the Clifton development from which proceeds from the sale are earmarked for the provision of social housing.

Also, about 3 kms away, in the Woodstock/Salt River area, two social housing projects have been identified.



**As it pertains to 8.2:** The decision to auction the property was an administrative decision as the property has been placed on tender previously without success. Regulation 12 of the Municipal Asset Transfer Regulations (MATR) and Regulation 40(2) of the Municipal Supply Chain Regulations require the municipality to dispose of capital assets in accordance with the municipality's "disposal management system". Both Regulation 40(2) and the relevant City policy provides for the use of auctions as a competitive bidding process.

The use of auctions in certain circumstances, has been proven to be more advantageous to the City as it provides better marketing exposure to the sale, is more cost-effective and generally provides better sale results in terms of price and take-up.

**As it pertains to 8.3:** In addition to the input provided in section 7: Cape Town is now following world trends. Unlike most other South African cities, Cape Town central has few vacant open spaces or derelict buildings available for redevelopment.

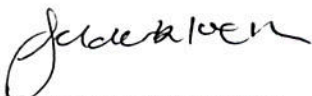
There are currently earmarked near-inner city social housing projects in the Woodstock and Salt River area. City-wide we have budgeted approximately R230 million in this financial year for social housing projects across the metro through our People's Housing Process which is City-enabled but community-driven.

Currently, over 1 000 hectares of City-owned land has been reserved for housing projects across the city.

The expansion of the MyCiti bus service to previously neglected and far-flung areas such as Atlantis, Imizamo Yethu and Hangberg, is a clear example of including previously excluded persons by connecting them with world-class public transport infrastructure.

Enabling inclusionary housing in Cape Town cannot succeed by focussing only a CBD of Cape Town, nor only on Council-owned property. A broader focus is required, that covers transport corridors, and facilitation of development of private-owned land. A key intervention to transform the metro over the next decades is the Transit-Oriented Development Strategic Framework which, among others, will hold substantial benefits for lower-income households. As such, the City is focusing on redevelopment options in two development corridors – the Voortrekker Road Corridor and the South East Corridor.

Yours sincerely



**RUBY GELDERBLOEM**  
**DIRECTOR: PROPERTY MANAGEMENT**

Copy:           Alderman Ian Neilson           – Executive Deputy Mayor  
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