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The Redevelopment of Public Hostels. A National Overview.

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Purpose of this report

This report forms part of the of the USN/USAID Hostel Re-Development contract for the period 23 August 2000 – 30 August 2002 and will feed into the research that is being conducted by the Development Action Group (DAG), Cape Town on the redevelopment of hostels. DAG will be responsible for researching design, delivery, management and tenure models for hostel redevelopment, looking at case studies in both private- and public-owned hostels. However, this report will only touch on the status of public owned hostels in South Africa. The reason being that the majority of municipalities are upgrading their hostels in accordance with the existing Public Sector Hostel Re-Development Programme governed by the Housing Code of the National Department of Housing in South Africa. In addition statistics on private owned hostel redevelopment projects are not easily obtained and the National Department of Housing is not in a position to report on either the number or nature of privately owned hostels.

Why the need to redevelop hostels

Migrant labour hostels are home to millions of people in South Africa. Being largely invisible to the general public, they are often seen only as places of endemic violence. In many ways the South African hostels are the physical manifestation of three centuries of systematic racial discrimination and economic exploitation.

Hostels originated in the mining industry in the nineteenth century. They were originally built as single-sex institutions to accommodate African migrant labour workers for the duration of their stay in the white urban areas.

Three kinds of hostels exist. *Private hostels*, which are attached to specific places of work, such as the mines; *public hostels*, owned and administered by local or provincial authorities, and which offer accommodation to workers from a range of industries; and *grey sector hostels*, where the building was erected and administered by private companies

on land belonging to the provincial or local authority. In these instances, private companies leased the land for a period of time, renewable on a regular basis. A large number of these grey hostels have been disposed of by the private companies and left to the devices of the local municipality. As such, overcrowding and poor conditions prevail.

The challenge in redeveloping migrant labour hostels is not an easy one. Hostels have tended to be built relatively close to urban centres and therefore offer a potentially large supply of high density, low-income rental housing stock at a time of desperate need and limited capacity. But, there are many complex social and political issues that need to be considered. Conflicting views with regards the future of the hostels exists. For some, they represent a constant and bitter reminder of the past, but for others they are a highly prized and affordable shelter in an environment of severe homelessness. It is therefore not surprising that significant support for their retention and conversion comes from the hostel residents themselves.

Current National Hostel Support for Public Hostels

Chapter 10 of the National Housing Code deals with rules for the Public Sector Hostel Re-Development Programme. These rules relate to assistance for the redevelopment of *public sector* hostels, i.e. hostels under the jurisdiction of municipalities and provincial housing development boards, excluding those hostels owned by municipalities, which are intended solely for the use of their employees.

On 2 October 1991 the government announced a Hostel Re-Development programme and allocated an initial amount of R325 million to the programme. Local authorities were invited to apply for funds from the previous National Housing Commission via the provincial authorities. Potential applicants were referred to the Short-Term Guidelines for Hostels Initiatives of 1 November 1991 as the guiding principles for the planning of redevelopment projects. At the end of 1992, the National Housing Forum entered into negotiations with the government around the hostels programme. These negotiations resulted in the establishment of the National Hostels Co-ordinating Committee (NHCC), a "de-facto" decision-making body. As a result of the NHCC's efforts, the Public Sector Hostel Re-Development Programme, as set out in this Chapter (10) of the Housing Code, was developed and implemented.

The Public Sector Hostel Re-Development Programme is available to all public sector hostels, with the exception of those owned by municipalities that are intended solely for the use of their employees. Municipalities or PHDB's (whoever the owner in the specific case may be) submit applications for redevelopment to the PHDB in four stages. Application for funding for emergency interventions may also be submitted in cases of extreme need.

The central theme of the Public Sector Hostel Re-Development Programme is that the planning and design of the hostel redevelopment or upgrade scheme must be done in an inclusive manner. This requires the formation of a representative Local Negotiating Group (LNG) comprising stakeholders such as the municipality (or PHDB), hostel residents, representatives of the neighbouring community, and local business people.

In respect of the Public Sector Hostel Re-Development Programme, Chapter 10 considers:

- Eligibility & Other Conditions
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This sets out the objectives of Hostel Re-Development and the various forms it can take.

- **Funding of Redevelopment**
This sets out the two grant types that are available for hostel redevelopment.
- **Application**
This describes the four stages of the application process as well as how to apply for emergency intervention.
- **How the PHDB judges the application**
This explains the principles on which hostel redevelopment is based and also sets out criteria for evaluating emergency intervention applications.
- **After Approval**
This describes the need for ongoing needs assessments.

Objectives of Public Sector Hostel Re-Development Programme Initiatives

The Public Sector Hostel Re-Development Programme is available to all public sector hostels, with the exception of those owned by municipalities that are intended solely for the use of their employees.

Any application for a hostel redevelopment grant must be based on a redevelopment proposal that sets out to:

- promote humane living conditions for hostel residents;
- include hostel residents, the neighbouring community, relevant public authorities and other stakeholders affected by a redevelopment scheme in the decision-making process;
- embody a development orientation, both in terms of empowerment and participation and in terms of promoting economic development;
- promote social integration within hostel communities and also between hostels and the adjacent communities;
- include plans for accommodating those who will be displaced by the project; and
- initiate local institutions and administrative procedures in order to sustain physical improvements and undertake socio-economic development.

Principles applicable to the Hostel Re-Development Proposals

The following principles for the Public Sector Hostel Re-Development Programme must be adhered to and the PHDB's will assess proposals on the basis of these principles.

Urban Development

A redevelopment proposal must be formulated within the context of the development requirements for the urban area in which the hostel is situated because...

- in certain cases hostel residents constitute a large proportion of the township community;
- displacement will leave hostel residents in competition with township residents for land and facilities;
- for displaced families the issue is not simply one of access to the housing subsidy, but also a decent location; and
- instead of duplicating amenities and services or providing them inefficiently, planning and delivery will be treated in an integrated manner.

In certain cases the hostel is so far out of town that a concern for urban efficiency outweighs the argument for redevelopment of the hostel.

Participative process

The planning and design of the hostel redevelopment scheme upgrade must be done in an inclusive manner. This requires the formation of a representative Local Negotiating Group (LNG) comprising stakeholders such as the municipality (or PHDB), hostel residents, representatives of the neighbouring community, and local business people. The underlying principle is that all stakeholders affected by the hostel redevelopment scheme must participate in the LNG and related decision-making. It is understood that different role-players will participate in decision making at different levels of intensity depending on the extent to which they are directly affected by the outcome of the redevelopment. Municipalities and Hostel Residents will thus participate at the highest level of intensity.

In the event that exhaustive attempts to facilitate inclusivity and consensus have been unsuccessful and it could be argued that a minority of role-players, not directly affected by the redevelopment, are engaging in unreasonably obstructive behaviour, the Municipality with the agreement of the hostel residents structure, will have recourse to the PHDB. The application submitted to the PHDB in this regard must include details of all failed attempts to facilitate full consensus in respect of the planning process. The PHDB would then be expected to adjudicate the application in this light.

Eligibility

All the hostel residents are eligible for accommodation under a redevelopment scheme. However, in order to prevent a sudden inflow of people when the redevelopment scheme is announced, a register listing the identified hostel residents must be drawn up immediately a redevelopment scheme is identified. The register should establish whether the hostel resident considers him/herself to be living in the hostel/area on a temporary or permanent basis, whether the hostel resident wishes to own or lease a unit, and for what term.

Affordability and community needs

All planning must take into account the needs and affordability of hostel residents as determined by socio-economic surveys, which must form the basis of planning for the redevelopment scheme. A socio-economic survey of hotel residents must be undertaken as a precondition for the application to be considered. The survey/s should therefore be conducted against a basic understanding by hostel residents of the rules set out in Chapter 10. The socio-economic survey may reveal the need for a variety of upgrade options within the hostel.

Displacement

No redevelopment application will be considered if it results in the displacement of hostel residents unless alternative accommodation has been secured for the displacees and proof is provided of the acceptance of such accommodation by the displacees. The securing of funds for such alternative accommodation is a pre-requisite for the approval of a hostel redevelopment grant and the implementation of a redevelopment scheme. The issue and the process of reaching agreement on displacement will be a critical activity for the LNG. The principle of equity is paramount in the displacement issue and the alternative accommodation proposed must be in line with that to be provided within the hostel and that available to residents within the broader community, via other State funded projects.

Accommodating "single women"

Most women living in single-sex hostels are not, in fact, single and are accompanied by children. These women, in effect, constitute a family unit, but they may face limited ownership opportunities due to their having been married in community of property or having had customary marriages. The circumstances of these women lead to their not being "legally competent to contract", but every effort should be made to ensure that they retain access to hostels as families. "Single women" who were married in community of property or have customary marriage are presently barred from ownership.

Cost recovery and sustainability

Applicants must provide full details of strategies for the recovery over and above those to be provided. This includes both capital and on-going costs, including the ongoing maintenance and service costs, and the strategies to attach additional funding for costs, which will not be covered by the redevelopment grant. The strategy must enjoy the support of the LNG and show the commitment of the residents to their share of such costs.

Employment creation

The redevelopment proposal must maximise the opportunities for employment by the hostel residents. Such opportunities include opportunities in physical development, for example, by using local contractors, artisans, labourers, as well as the stimulation of ongoing employment, for example, through including business areas in the design. The design must take cognisance of the existing entrepreneurial activities and strive to enhance and increase such activities. Local emerging building contractors must be granted easy and equal access to the work opportunities.

Institutional development and capacity building

The redevelopment proposal must ensure that hostel residents acquire the skills necessary in order to participate in the planning and ongoing management of the redevelopment scheme. This is necessary because:

- if residents are to assume "ownership" of and responsibility for the upgraded units, they must be fully involved in the planning thereof;
- if overcrowding is to be avoided after redevelopment then the participation of residents in hostel management is vital;
- it will promote a sense of responsibility for the building, reduce vandalism, and facilitate maintenance;
- it will improve the payments of rents; and
- the management institution will provide access to opportunities such as small business loans and training.

The application must contain proposals for institutional structures supporting hostel resident involvement and participation, which proposals require the support of the LNG and the municipality.

"In-budget" and "Out-budget"

There is potential confusion about those items that constitute a part of the hostels redevelopment budget and those items for which proactive attempts should be made to attract funds in addition to the hostel budget, for example, for training and business development, or for social amenities. The underlying principles are that:

- funds designated for redevelopment of hostels should be used for improvements to accommodation and capacity building that enhances the ability of the local negotiation group to assess alternatives, participate in decision-making, and acquire the skills necessary to both help manage the hostel and proactively seek to promote a more comprehensive development process;
- social facilities should be funded independently of the hostel budget - the responsible authorities should finance their own facilities;
- economic development should be promoted through the appropriate design of the redevelopment programme and through the LNG seeking facilities, funding and training from the relevant government departments, development agencies, NGO's and so on; and
- notwithstanding the fact that many facilities are "out-budget", the planning for the redevelopment should incorporate space set aside for economic and social facilities, indicate the optimum use of the area within the hostel grounds, and seek to incorporate the hostel within the neighbouring community. The cost of this planning should be met from the hostels budget.

Equity

Redevelopment schemes should aim at ensuring equity both within hostels and between hostels and neighbouring communities. Applicants must show a genuine effort to have carried this important principle through the planning and design of the hostel upgrade.

Form of Re-Development

Applications will be considered for:

- *A rental redevelopment scheme.*
- *An ownership redevelopment scheme.*
- *An alternative use redevelopment scheme.*

A rental redevelopment scheme will be considered where there is a demand for rental in the area; the proposed development can be adequately dealt with; and the LNG approves such redevelopment proposal.

An ownership redevelopment scheme to enable beneficiaries to acquire ownership of a redeveloped hostel under the housing subsidy scheme will be considered where there is not overwhelming demand for single rental accommodation in the area; the hostel can be efficiently converted; displacement can be dealt with; the redevelopment costs are affordable to the beneficiaries; such redevelopment proposal is approved by the LNG; and the application provides concrete proposals for institutional structures by the LNG and the municipality.

Ownership will be restricted to accommodate the potential beneficiary in accordance with the General Rules of the Housing Subsidy Scheme. The tenure requirements of the Housing Subsidy Scheme will also have to be satisfied.

An alternative use redevelopment scheme for use as a school or community centre (and which may imply demolition) will be considered where funding from alternative resources than the PHDF has been obtained to fund the project; there is no demand for the type of hostel accommodation; the hostel is so run down that redevelopment is insupportably expensive; the location of the hostel is extremely inefficient in regard to access to work

and other urban facilities; displacement can be dealt with satisfactorily; and it is approved by the municipality and the PHDB.

Funding of Re-Development

Funds for which application can be made from the Public Sector Hostel Re-Development Programme are divided into two categories.

1. Funds for physical redevelopment

These funds apply to the two forms of development, namely to rental and ownership, and the professional fees incurred by each.

2. Funds for enhancing participation, empowerment and capacity building

Redevelopment Grants

Redevelopment grants will be made available according to the rules set out hereunder.

Rental Redevelopment Schemes

The funding limits for the re-development for rental purposes are to ensure that:

- the Government has resources to convert as large a number of hostels as possible;
- hostel residents are able to afford the ongoing maintenance and service costs;
- expensive conversions do not create an inequitable situation where those who rent a unit in a hostel gain access to accommodation that is markedly superior to the large majority who only have access to the housing subsidy;
- when families want to own their accommodation, they are encouraged to do so through the opportunities created by the housing policy and not through the conversion of hostels;
- the expense for redeveloping a hostel for single rental does not influence the chance of a tenant obtaining a housing subsidy where their families are located.

The amount of a redevelopment grant for rental will be based on a grant of R16 000 per family and R4 000 per hostel resident preferring to live single.

In designing these limits the important principle of equity of product between those accommodated in the original buildings and those displaced as a result of the re-development must be upheld. It is important to note that the funds allocation by the State are for the upgrading/redevelopment of Public Sector Hostels and should not be seen as financial assistance to the individual or beneficiaries.

Local Negotiating Groups may mobilise additional resources to enhance the upgrading/development on condition that the additional resources are secured prior to the payment of the public sector hostel redevelopment grant.

The redevelopment grant must be applied, as far as possible, to provide the capital cost of the following services:

- Prepaid meter electricity supply, electric lights and plug points
 - Facilities for hot water supply
 - Concrete screed floors
 - Basic engineering services
 - Basic furniture - a bed and mattress, one locker/wall unit (per bed) and cooking facilities
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The grant will only cover the cost of these upgraded services. It must be ensured that the operating costs pertaining to these services be recovered.

Ownership Redevelopment Schemes

The funding limits for ownership units will be determined by three factors.

- The General rules contemplated in Chapter 2 of this Part of the Housing Code apply. Particularly important are the rules relevant to the proposed form of ownership, such as individual or institutional. For example, under the individual subsidy scheme the maximum funds are R16 000 for households having an income of R1 500 or less per month, R10 000 for households having an income of between R1 501 and R2 500 per month, etc. If ownership will be obtained through an institutional subsidy project the amount payable to the institution is R16 000 per beneficiary household.
- The affordability of the hostel residents over and above the housing subsidy and the availability of loan finance.
- Displacement policy.

To ensure equity with other housing projects subsidised by the Government, an asset value must be calculated prior to the upgrade and offset against the subsidy. The asset value of the hostel must be determined prior to implementation of the redevelopment scheme and offset against the subsidy. The asset value should be calculated according to the original guidelines for the sale of public rented family housing units. Where the buildings have been damaged or are in a state of disrepair application can be made for a reduction in the asset value.

Applications for conversion to units costing more than the subsidy amounts will only be considered if the applicant or the Local Negotiating Group (LNG) has secured the additional funds required. Proposed conversions, which displace existing residents without alternative, acceptable accommodation will not be considered. The financing mechanism for an ownership redevelopment scheme is accordingly the housing subsidy scheme.

Redevelopment Schemes for Alternative Use

An alternative use redevelopment scheme will not be available from the Public Sector Hostel Re-Development Programme, but will have to be sought by the applicant from the appropriate funding source, e.g. Department of Education in the case of conversion to a school.

Professional fees and increase of the re-development grant

When using the grant in the ways described above, the following two additional rules apply:

- Professional fees
A redevelopment grant includes provision for services of technical professionals to assist the LNG in the planning, design and implementation of a redevelopment scheme. The approval of such funds will be based on the competency and suitability of the professionals chosen by the LNG and the fees proposed by them for the work to be done. Fees will be negotiated with reference to standard professional fee scales.
- Discretionary increases
In order to maintain financial equity, funding limits may be increased for geotechnical, topographical and/or locational reasons, and/or, in the case of a redevelopment scheme for rental purposes, for reasons of deteriorated building conditions. For redevelopment for ownership an increase regarding deterioration does not apply as the condition of

the building is considered in the asset value calculation. The maximum increase, which will be considered for one or a combination of the above reasons, is 15% and applications to the PHDB must be properly motivated with supporting documentation. Additional funds approved in terms of the discretionary increase will be debited to the Hostel Re-Development Budget of the Province; i.e. additional funds will not be made available for this purpose.

Emergency grants

The hostel residents may be living in conditions that seriously affect their health and safety. In such cases, application can be made for funds to address such health and safety risks. Funds expended in respect of the emergency interventions will be considered as the first phase of the redevelopment initiative and will be part of the redevelopment grant. Professional consultants should therefore design emergency measures in a way that optimises their potential for utilisation in the redevelopment. Exceptions to this principle will only be considered if fully motivated to the PHDB.

Interventions should occur only in circumstances of extreme need. Because ill-conceived interventions can cause more problems than they solve, circumspection before intervening should be the rule. Assessments of the need for emergency interventions should take particular note of threats to health and safety. Whilst most emergency interventions will be of a physical nature (e.g. getting the water working again) organisational (administrative) and social interventions should not be ruled out. The temporary defusing of major tensions between particular social groupings in a hostel may for example be appropriate.

The table below sets out some of the conditions that, in circumstances of extreme need, will be considered for emergency intervention.

Physical	Non-Physical
<ul style="list-style-type: none"> • Insufficient water supply • An unacceptable wastage of water • A blocked or collapsed sewerage system • Dangerous electrical connections • Built-up refuse • Lack of storm water control within the hostel leading to flooding of residential areas within the complex • Serious fire hazards • Serious structural degradation posing physical danger • Damaged connector services within the hostel complex preventing sufficient supply of services to the complex • Damaged public lighting increasing security risks 	<ul style="list-style-type: none"> • Major tensions between particular social groupings in a hostel • Major tensions between hostel residents and the surrounding community • Total lack of hostel administration and rent collection (intervention to be aimed at setting properly functioning administrative and rent collection procedures in place, and not to compensate authorities for rental arrears) • Access to funding (outside of the public sector Hostel Re-Development programme) in relation to damaged properties adjacent to a hostel complex and which damage could be ascribed to actions relating to the hostel.

The following criteria should be used in judging applications for emergency interventions:

- Emergency interventions should in no way pre-empt longer term development strategy or “predispose” such longer-term strategy in any direction.
- As a general rule emergency interventions should be as obvious and as likely to be “uncontested” as possible from the perspective of the parties directly involved.
- The interventions proposed must be sustainable until such time as more fundamental interventions can be made. Provision for such sustainability must be made by

establishing a programme for continuous funding provision (inter alia, from hostel rents) and maintenance.

- Cosmetic improvements would not qualify as emergency interventions.
- Interventions should occur largely in circumstances of extreme need.
- Interventions should not negatively impact on the social structure of a hostel complex.

As a rule, permission to proceed with an emergency intervention will only be granted if the intervention is of the nature described in the table and preceding paragraphs above, and only if progress on the Hostel Re-Development Programme is being delayed for good reason.

On application by the Municipality, the PHDB will assess whether the hostel qualifies for emergency intervention. The request from the Municipality must explain in detail the reasons preventing progress in terms of the Hostel Re-Development Programme and why emergency intervention is considered necessary.

If approved, the Municipality shall then retain professional consultants (if necessary) to plan the intervention required and call for tenders by prospective contractors. Preference should be given to local contractors, local skills and labour. The tenders shall be submitted to the PHDB for approval.

Mechanisms to monitor emergency interventions will be established between the PHDB, Municipality and the hostel residents structure. Particular attention must be given to ensuring that the requirements of this section of this Chapter of the code are complied with.

Participation, Empowerment and Capacity Building

An application may be made for a grant to enhance the participation and empowerment of the affected community in the planning process and the management of the hostels. The grant is geared towards assisting with the establishment of a representative LNG; the subsequent empowerment of that LNG through training and skills transfer. In addition the grant is geared towards the provision of basic resources to enable the LNG to operate effectively. This takes the form of a trained co-ordinator, which will be selected by the LNG, but employed by the municipality; or be someone already employed by the municipality who has the necessary skills and is acceptable to the LNG. The provision of basic resources also includes infrastructure to assist the co-ordinator to work effectively. The co-ordinator is responsible to the LNG, however, if the LNG ceases to exist, then the co-ordinator will report to the Municipality. As a first step, Municipalities should evaluate their own capacity to determine whether existing capacity could fulfil this need. In this regard, the following applies.

Co-ordinator

The anticipated core functions of the co-ordinator are to...

- support the LNG in its functions;
- facilitate effective lines of communication within the community; and
- staff an information office (where applicable)

Establishment of LNG

Should the municipality or province experience difficulty in facilitating the establishment of a broad based LNG, a grant for the appointment of an experienced facilitator may be

provided on application. Application can also be made for such a facilitator to workshop with the LNG all aspects of hostels to ensure that planning of the upgrade is done on an informed basis.

Guidelines for the appointment of co-ordinator

Funds for the employment of a co-ordinator by the municipality on behalf of the LNG and for the establishment of an office infrastructure to assist in his/her work can be made available for the duration of the project. The onus will be on the LNG to raise further funds to sustain the process beyond this period if it so desires.

Selecting the co-ordinator

The LNG will select the co-ordinator, but guidelines for his/her employment are:

- unencumbered time
- credibility in the community
- work experience, especially in respect of community development
- read with comprehension
- write with communication
- numerate
- proficiency in two local languages
- enthusiasm and motivation, and
- drivers license/access to transport

Training of co-ordinator

The co-ordinator will be required to attend courses to empower co-ordinators to become more effective in their duties. Provision for such training should be made in the budget submitted with the redevelopment application.

Empowerment of LNG

Over and above the provision of a specialist consultant to work with the LNG and the co-ordinator, workshops and training sessions will be organised for the LNG. Budgetary provision should be made for such workshops and also workshops in respect of needs surveys in the submission for approval of funds. Workshops will be structured according to the needs of the LNG but generally will deal with issues such as:

- hostel policy and the redevelopment process
- labour-based/community based construction practices
- group dynamics and team building
- participation in the management and administration of a hostel
- roles within the LNG
- financial accountability
- project planning
- communications
- needs analysis
- personnel practices and relationship with staff
- reporting procedures - how to receive/discuss
- development values and the role of the NGO sector, and
- networking with external funders

How to apply for Public Sector Hostel Re-Development Funding

The application process involves four distinct stages. The hostel owner makes the application to the PHDB. Where the municipality is the owner, it will make the application in its own right. Where the PHDB is the owner the housing department of the provincial administration concerned will prepare the application. The PHDB then judges the application on merit, and based on the principles set out above.

It is envisaged that four applications will be made for purposes of a public sector hostel redevelopment programme. A summary of the stages is set out below.

The First Application: Notification

On the basis of this application, the provincial government and the PHDB are informed of the intention by the applicant to initiate a hostel redevelopment project. In a situation where a LNG is not yet constituted, application could at this stage be made for the resources to establish the LNG in terms of the grant for participation, empowerment and capacity building. If the LNG is in place, details of the LNG will be supplied. The notification application should include the following:

- Details regarding the hostel, including
 - name and address of hostel
 - description of hostel
 - size and facilities
 - number of beds
 - estimated current population
 - description of current population e.g. single, family, sex, etc.
 - present monthly expenses and income
 - application for resources to establish the LNG, if not yet established
- If a LNG has been established,
 - details of LNG
 - members (names and organisations)
 - how often meets/has met
 - description of capacity and motivation

The Second Application: Consultants & Preliminary Planning

Once the notification application has been approved and once a LNG has been effectively constituted and is fully briefed on hostel policy and the requirements of consultants, the LNG may call for proposals from consultants to form the professional team for the project. The team chosen will assist the LNG to prepare an application for funds for preliminary planning. Application can then be made for the funds budgeted for preliminary planning. The application should include:

- names and addresses of professional team for notification of the province and the PHDB;
- approach to be followed by the professional team in the preliminary planning in line with hostel policy and the LNG's brief;
- objectives of the professional team during this stage with particular emphasis on linking the planning with the policy parameters and the needs as will be identified; and
- identification of the process to be followed to identify the needs, and goal projections.

The Third Application: Detailed Design

Once the LNG has obtained approval for the budget for preliminary planning, they proceed with the planning to result in an application for public sector hostel re-

development funding, and permission to proceed with detailed designs. The application should include the following:

- profile of resident needs and potentials as identified by a socio-economic survey
- description of how the above are to be addressed in terms of the policy guidelines under the following headings...
 - physical form of proposed development including town layout, residential and other units, levels of engineering services
 - tenure
 - allocation procedures and proposal for displacees (if applicable)
 - estimated development costs (including professional fees) and how to be recovered (proportion via public sector Hostel Re-Development Programme, remainder via other sources)
 - estimated running costs and how to be recovered (proportion from residents, remainder via other sources)
 - institutional arrangements for effective administration and maintenance after completion
 - description of participative planning process that was followed by LNG (workshop held, training sessions, how arrived at final decisions etc.)
 - description of tender and construction principles to be employed (to maximise employment and empowerment of residents) and estimates of benefits to be gained
 - strategy for securing funds for facilities not funded by public sector Hostel Re-Development Programme e.g. recreational, health, etc.

The Fourth Application: Tender

Once the LNG has obtained approval for their development proposal, funds will be reserved for the project and the team may proceed with detailed design and tender documentation to be submitted for approval. The purpose of the application is to obtain PHDB approval to proceed to tender after the detailed design and tender documents have been checked and approved against the approved application details.

The application for approval to call for tenders should include the following:

- Revised estimates of costs
- Programme of works (including institution building and legal procedures)
- A description of participative process followed by LNG during this stage

Once approval is obtained, tenders may be called. On receipt of tenders the professional team, on behalf of the municipality, will compile a tender report for approval by the PHDB. This report must reflect the normal tender approval criteria, and in addition must highlight any discrepancies between estimated and tender costs and between planned and tendered construction principles.

After approval

The PHDB will monitor the project to ascertain that projects are executed according to the conditions on which projects and tenders were approved. It is further the purpose to keep track of the progress of the projects and to intervene where assistance is required. Summarised formats for each project stage have to be completed and submitted to the PHDB with each application stage. The PHDB may request such further information as it may require.

Monitoring to inform the PHDB of project progress and to record information in a summarised format for management information purposes will commence at the notification stage and continue thereafter. Summarised formats for each project stage have to be completed by the Provincial Administration Housing Department, and submitted to the PHDB with each application stage.

Key points to remember

The Public Sector Hostel Re-Development Programme provides for a funding limit of R16 000 per family, or R4 000 per individual living in a hostel under the jurisdiction of local and provincial authorities.

Funding limits may be increased by up to 15% at the sole discretion of the relevant PHDB, to compensate for development costs where hostels are in a particularly poor structural condition or where there are geophysical difficulties.

Applications will be considered for:

- a rental redevelopment scheme;
- an ownership redevelopment scheme; and
- an alternative use redevelopment scheme

Two categories of funding are available:

- Funds for physical redevelopment
These funds apply to two forms of development, namely to rental and ownership, and the professional fees incurred by each; and
- Funds for enhancing participation, empowerment and capacity building.

Funds expended in respect of the emergency interventions will be considered to be part of the redevelopment grant.

The application process involves four distinct stages:

- Notification
- Preliminary Planning
- Detailed Design
- Tender
- Approval

Status quo nationally

Correspondence received from the National Department of Housing on 24 May 2001 reports on the number and status of public owned hostels per province.

The number of public-owned hostels per province	
Gauteng	45
KwaZulu-Natal	25
Mpumalanga	25
Free State	20
Northern Province	13
North West Province	13
Western Cape	10
Eastern Cape	5
Northern Cape	0

The approximate number of people living in public owned hostels in each province	
Gauteng	157 200
KwaZulu-Natal	66 856
Mpumalanga	16 000
Free State	11 293
Western Cape	11 000
North West	9 985
Eastern Cape	5 755
Northern Province	1 244
Northern Cape	0

The amount of money spent to date on upgrading public hostels per province	
Gauteng	R406 629 669
KwaZulu-Natal	R134 395 863
Western Cape	R 67 421 250
Free State	R 45 691 722. 58
North West	R 19 303 845. 74
Mpumalanga	R 19 151 687. 74
Northern Cape	R 5 649 512 (Spent prior to 1994 when hostels where converted into family units. There are therefore no hostels per se in the province.)
Northern Province	R 2 337 932
Eastern Cape	R 16 100

The number of upgraded public hostels per province	
Gauteng	16
KwaZulu-Natal	16
Free State	14
Western Cape	4
Eastern Cape	3
Northern Province	3
North West	1
Mpumalanga	1415 units
Northern Cape	0 (all have been converted into family units prior to 1994)

The number of public hostels presently in the process of being upgraded per province	
Gauteng	18
Northern province	10
Free State	9
KwaZulu-Natal	8
North West	6
Western Cape	6
Mpumalanga	4
Eastern Cape	2
Northern Cape	0

Source¹

In their correspondence the National Department of Housing went further in saying that the Hostel Re-Development Programme is necessary in order to ensure that hostel dwellers reside in safe, hygienic and humane living conditions, which allow for privacy and an acceptable quality of life. The problems, which prompted the Programme, included

¹ Written correspondence – Redevelopment of Hostels: Statistical Information 24 May 2001. From RC Plaatjies, National Department of Housing, Pretoria

deteriorated infrastructure, dilapidated buildings, inadequate facilities, high levels of crime and unemployment, overcrowding and a lack of privacy.

The Hostel Re-Development Programme is intended to:

- Promote humane living conditions for hostel residents
- Include hostel residents, the neighbouring community, relevant public authorities and other stakeholders affected by a redevelopment scheme in the decision-making process
- Embody a development orientation, both in terms of empowerment and participation, and in terms of promoting economic development
- Promote social integration within hostel communities and also between hostels and adjacent communities
- Include plans for accommodating those who will be displaced by the project, and
- Initiate local institutions and administrative procedures in order to sustain physical improvements and undertake social-economic development

The demand for single-sex housing in public hostels varies from area to area. In some hostels residents are in favour of having their families live with them and welcome the conversion of single-sex accommodation into family units, whilst in other areas hostel residents are content to have their families visit them, but wish for their families to return to their areas of origin in the long term. Many of the residents in these public hostels consider themselves to be in the city purely and simply for working and earning a living. A public hostel is considered as being the cheapest form of accommodation for the migrant worker and it provides a transitional form of housing. These residents still regard the homes from where they originate as their permanent homes. They reside in the public hostels because they need cheap and convenient housing without long-term commitment to the city, and need to retain the flexibility to move back to their permanent homes in the country.

Other hostel residents arrive from the rural areas intending to settle in the city permanently. In such a case the public hostel serves as a point of entry for the newly arrived from the small towns and rural areas. Some of these hostel residents secure permanent employment and ultimately get access to housing opportunities and settle permanently with their families. However, many hostel dwellers are not as fortunate in achieving access to housing opportunities and therefore live in the long-term in the hostels. Many reside with their families in the hostels, which were designed for single-sex accommodation.

As for the future of the Hostel Re-Development Programme, the Department states that the programme will continue whilst the need for it is in existence. The Department views the programme as integral to the country's overall housing strategy. The total hostel population is large and represents a significant portion of the population who require state assisted funding. The legacy of the past regime with respect to hostels needs to be overcome to ensure that hostel dwellers are provided with humane living conditions that meet their needs.

Case studies on the redevelopment of public hostels will be looked at shortly, but for the moment it can be said that shortfalls within the existing Hostel Re-Development Programme exist. A number of local municipalities which have already upgraded their units and operate these on a rental basis are already experiencing difficulties with the collection of rent etc. In response, the Department notes that there is a policy development

initiative underway with respect to the Hostel Re-Development Programme. In order to identify and remove possible constraints such as the complex nature of the hostel process and the inadequate capacity at provincial and local government levels to implement hostel initiatives, a revision of the Hostel Re-Development Programme: policy for the Upgrading of Public Sector Hostels is presently being undertaken. The underlying aim of the policy revision initiative is to record successes achieved, but also to identify problem areas that should be addressed to enhance future hostel redevelopment programmes. The revision will accordingly be utilised to enhance or replace the existing Hostel Re-Development Programme, if justified.

As for privately owned hostels, the Department notes that conditions in these hostels vary according to the employer, and the government *encourages* companies to improve the conditions within hostels for which they are responsible.

Case study

Mangaung Hostels LNG, Free State

The Local Negotiating Group (LNG) of Mangaung Hostels appointed Louw, Muller and Partners (LMP) as the consultants for the redevelopment of the Hostels in Mangaung. LMP were appointed to prepare estimates and develop proposals, and act as Project Manager for the redevelopment of the Mangaung Hostels. Three hostels were involved in the redevelopment project, Hostel 1 (White City), Hostel 2 (Silver City) and Hostel 3 (Dark City).

LMP took as their starting point the need to establish a holistic overview of all the identified needs so as to provide for these needs and conform to the objectives of the National Hostel Re-Development Programme. They commenced with a socio-economic survey to research the perceptions and priorities of the residents. Their objective was to "establish an accurate demographic profile of the hostel community to ensure the effective redevelopment of the hostels and compliance with guidelines". Their aim was to compile a profile of the sociographic needs of the community; the basic needs and provision thereof; and relevant skills within the community.

In a joint effort between LMP and the Hostels Committee an uncomplicated questionnaire was compiled. A group of people within the hostel community were identified to conduct the survey, after they attended several workshops regarding the questionnaire. 1444 questionnaires were completed, resulting in a sample size of 86.3%, which LMP believed was a representative sample and therefore reliable data.

In terms of the geographical location, Hostel 1 is situated in Bochabela and Hostels 2 and 3 are situated in Phahameng (see map overleaf).

Hostel 1 consisted of 13 hostel units and each unit consisted of 12 rooms, 1 communal kitchen, 1 communal shower unit and 1 communal toilet. Hostel 1 had a capacity for 1248 residents, which was equivalent to 312 rental units. The condition of the building before redevelopment varied from being in a fair condition to being semi-demolished. The existing internal water and sewerage reticulation system was in a poor state and not economically viable to be used for redevelopment. No internal road network existed.

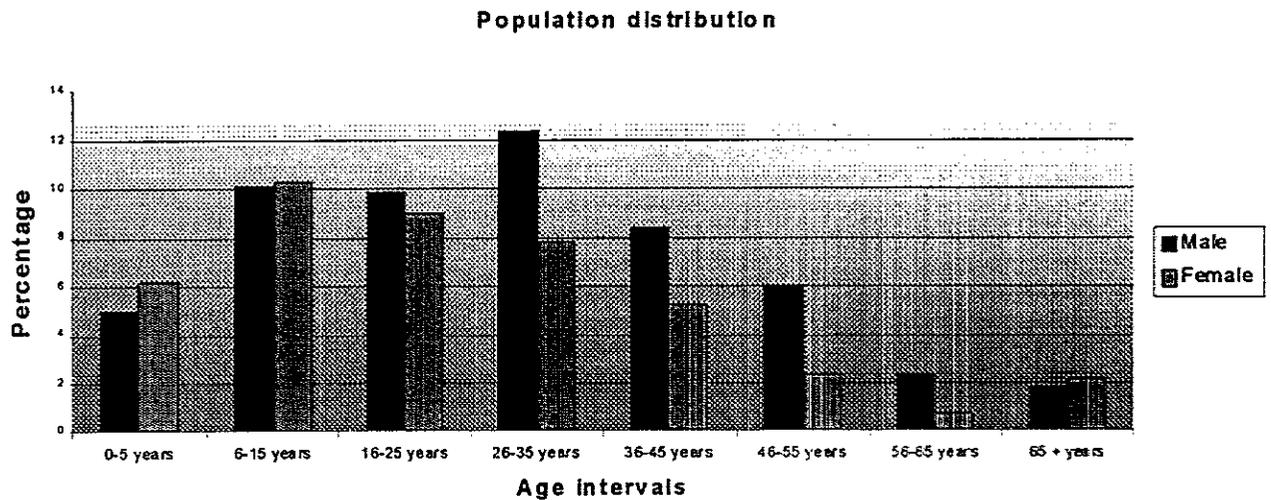
Hostel 2 consisted of 312 family units with 8 communal shower and toilet units. It also had a capacity of 1248 residents, equivalent to 312 rental units. The buildings were in a fair condition but the water and sewerage reticulation system was in a poor condition and also not viable for redevelopment. No internal road network existed.

Hostel 3 consisted of 6 blocks with a total of 128 rooms, with every 2 rooms sharing a kitchen. Each block had a communal toilet and shower unit. Hostel 3 had a capacity for 2048 residents, equivalent to 512 rental units. The buildings were in a fair condition but the water and sewerage reticulation system was also in a poor condition and not viable for redevelopment. There was no internal road network either.

In their community profile study 86.3% of the units were surveyed, which represented 808 rooms. The projected amount of residents was therefore estimated at 3800

$808 \times 936 = 4402$ residents where the average number of inhabitants per room was 4.5888.

The graph below described the community population pyramid. Given the nature of hostels men made up the majority in the older age groups. Demographically these figures did not relate to any of the demographic studies done in non-hostel communities and the redevelopment of these units into rental family units was motivated.



In terms of education levels the majority of adults in the hostel community had a sub-standard 7 education level, which was in comparison with other surveys done in Mangaung.

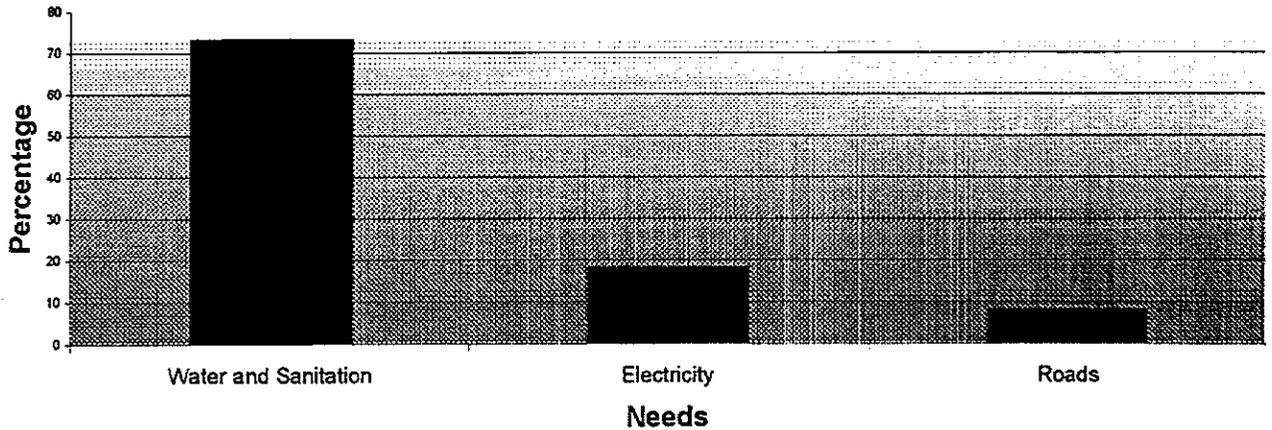
Under economical data, LMP noted that the unemployment rate within the hostel community was 51.3% compared to a 36% unemployment rate for Mangaung and surrounding areas. 11.1% of this 51.3% were not working at all and were not attempting to look for work either. The high unemployment rate reiterated the need for sustainable job creation programmes. The monthly household income for more than 60% of the residents in the hostels was between R0-R800.

LMP noted the number of skilled persons within the hostel community in certain categories.

Labourers	316
Administration	158
Painters	95
Bricklayers	94
Electrical Assistants	55
Carpenters	53
Plumbers	36

LMP also assessed the prioritisation of basic needs as listed by the hostel dwellers. (Shown overleaf)

Basic needs



In terms of tenure requests, 0.3% of the hostel residents requested short-term rental options, 27.4% requested long-term rental, and 72.3% requested ownership.

LMP concluded that the existing buildings could be converted into 920 rental units. This meant that approximately 176 families would have to relocate either to new family units on the hostel sites or to the upgraded Transnet Units. Final decisions on the allocation of upgraded units and the relocation to other sites lay with the LNG. The provision of basic services was the highest priority. Unemployment rates were much higher in the Hostels than in the surrounding community and LMP believed that this would create tensions in the long run if left unchanged. The repair of the buildings was not identified as a basic need because it was an obvious prerequisite for redevelopment.

Two parameters, the budget and the LNG directly controlled the proposed redevelopment of the Hostels. The physical layout of the adapted units was to be finalised on completion of the show units and approval by the community. The standard of all the upgraded family units was to conform to standard building regulations.

As a first phase it was agreed by the LNG that the application for redevelopment would be submitted for rental accommodation only. Ownership of the units would only take place on completion of the projects and be done so through the housing subsidy scheme in a natural process. This approach was adopted for two reasons; it was the least complicated process and the least time consuming. Provision for ownership was to be made in the planning of the redevelopment though. The LNG gave the mandate for this procedure.

The provision of basic engineering services (water, sewerage and electricity) was to form an integral part of the redevelopment. The standard of all engineering services was to conform to the "Guidelines for the Provision of Engineering Services in Residential Townships" and standards set by the Bloemfontein Transitional Local Council (TLC).

The total cost for the redevelopment of the 3 Hostels amounted to R16 530 000.00

Bloemfontein TLC proposed that 2 co-ordinators assist in the administration of the project post completion. An administrative training course for the TLC's personnel, including the 2 co-ordinators was conducted.

LMP adopted a bottom-up approach in their planning process. Their view was that the end-users were the only people directly affected by the redevelopment process. Needs were identified in conjunction with a committee elected by the hostels community; a survey was conducted and questionnaires completed; workshops were held and pamphlets distributed to market the process and ensure participation from all people through their elected structures. With reference to the physical layout of the buildings, drawings were discussed, models were built and a visit (not only for the committee but for residents) was organised to the upgraded hostel in Kimberley, in the neighbouring Northern Cape Province.

Tender procedures were in compliance with the guidelines set by the Free State Provincial Administration. The contract was to be based on an equity scheme where an agreed percentage of the work was to be carried out by local contractors under the main contract. It was also specified that a percentage of the skilled and unskilled labour be pooled from the hostel residents. The local Boithusong Training College tested relevant skills and provided additional training where necessary. Bricks were manufactured locally with a mechanised brick-making machine to ensure the set quality. It was also envisaged that brick making would not cease on completion of the project but that a Hostel Trust would operate this as a business venture to create sustainable employment opportunities for hostel residents.

Concluding comments

Although most of the provinces are engaged in hostel redevelopment, obtaining copies of progress reports from these provinces was not as easy as in the Mangaung case. Consultants appear cautious and do not readily part with reports on their case studies. Government officials at the provincial departments of Housing and municipal officials at respective municipalities are willing to discuss the projects but are also not in a position to release consultant reports, without prior permission from the consultant(s) concerned.

For personal correspondence to ascertain the status and progress on public owned hostels in the provinces contact the following.

Province	Institution	Contact Person	Contact Number
Eastern Cape	Department of Housing and Local Government	Mr Phaki Marawu	041 – 3904111
Free State	Department of Local Government and Housing	Jeanette Roussouw	051 – 4054213
Gauteng	Department of Housing	Chris Browne	011 – 3554312
KwaZulu-Natal	Department of Housing	Mannie Naidoo	031 – 3605222
Mpumalanga	Mbombela Municipality	Tom Sekunelu	013 – 7592205
Mpumalanga	Nkhondo Municipality	Betty Laubscher	017 – 822211
Mpumalanga	Thaba Chweu Municipality	Mr Minana	013 – 7641241
Mpumalanga	Highveld East Municipality	Vusi Radebe	017 – 6206000
Mpumalanga	Emalahleni Municipality	Dolf van Rooyen	013 – 5906911
Northern Cape	Sol Plaatjie Municipality	Gerry Majinta	053 – 8306542

It would appear that the Hostel Re-Development Programme is beneficial but problems with renting the upgraded units remain. The Northern Cape was one of the first provinces in the country to upgrade the hostel in Galeshewe. There were originally 5 blocks in this hostel. Four have been converted into family units and the 5th unit is used during daytime only by the Galeshewe Care for the Aged. Sol Plaaityje Municipality (previously Kimberley Municipality) still owns all five blocks, which are rented out to tenants. The Municipality would like to see the units being owned by the tenants and have approached the Provincial Department of Housing and Local Government to include these hostel units in the housing stock to be transferred to tenants for ownership. The hostel was upgraded 7 years ago and is already starting to show signs of deterioration. Payment for rental and other services is poor and the Municipality is having difficulty controlling the influx of people. A Hostels Committee, made up of hostel residents, tries to manage the influx of people and keeps the municipality informed on hostel activities etc. Liaison with this Hostel Committee is the responsibility of the Ward Councillor for the area.

In short, it would appear that the majority of provinces would like to get rid of the hostels as state owned assets and motivate for ownership. Until such time, public owned hostels are upgraded according to the Hostel Re-Development Programme.

Resources

1. Application for Funds Hostel Re-Development (Stage 3). Upgrading and Re-Development of Existing Hostel Buildings Project No. 11/5/2/252. Client Mangaung Hostels LNG, prepared by LMV Consulting Engineers and Town Planners Inc., Bloemfontein
2. Chapter 10. Public Sector Hostels Re-Development Programme. National Housing Code, National Department of Housing
3. Personal Communication, Gerry Majinta and Nick Aucamp. Sol Plaaityje Municipality, Kimberley
4. Thurman, S and Tshaka, X. Urban Sector Network Support for Hostel Re-Development in the Western Cape. Feasibility Study. First Draft. 4 October 1999
5. Written correspondence – Redevelopment of Hostels: Statistical Information 24 May 2001. From RC Plaaityjes, National Department of Housing, Pretoria