



URBAN SECTOR NETWORK PROGRAMME PROGRESS REPORT

Activity Title: Hostel Redevelopment

Grantor: USAID

Recipient: Urban Sector Network (USN)

Award No.: 674-G-00-00-00059-00

Reporting Period: April – August 2002

Extension Requested: August 2002 – April 2003

USAID Technical Office: Housing and Urban Development Strategic Objective Team
No. 06 USAID/South Africa

CC: USAID/CDIE/D, Washington, DC 20523-1802, United States of America

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1. INTRODUCTION

The grant is intended to enable the Urban Sector Network (USN) to increase the focus and impact of its work on community-based approaches to housing by supporting research into hostels and the gathering and dissemination of information on their re-development. This will hopefully lead to an increase in the implementation of community-based approaches to housing, including social housing, of which hostels forms a part. Information gathered and lessons learned will be shared with all relevant stakeholders, including national government, the private sector and targeted communities.

Under the two objectives that are being supported by the Grant (policy and information dissemination), the USN will undertake the following activities:

- a. Identify and conduct research for tenure options and management models for hostels;
- b. Identify needs and conduct national research in the hostel sector;
- c. Hold workshops to consolidate policy submissions and submit papers to the Department of Housing;
- d. Research papers as they are published;
- e. Conduct a mid-term and final evaluation of the project;
- f. Information outreach, where USN will play a role in informing government, the private sector and communities in general about opportunities which can be created through the redevelopment of hostels. This will be done through dissemination campaigns and materials development.

As noted in previous reports, these activities have been split between the Urban Sector Network's (USN) Network Office and one of the USN affiliates, the Development Action Group (DAG). Responsibilities are clearly laid out in a Memorandum of Understanding between the two organizations.

Two key results will be achieved from these activities, namely:

- a. National housing policy in respect to hostels in which USN will have played a significant contributing role; and
- b. Wide dissemination of information on hostel re-development.

This report reflects progress made by the USN during the reporting period (April to August 2002) in achieving the activities listed above.

2. RESEARCH

Up to now, the research, policy development and information dissemination activities have focused on the collection of relevant information through the project work and experimenting with different approaches through the pilot projects. The process of writing up the hostels-related research reports and training materials is however ongoing. The DAG has recently acquired an additional research staff member who will assist in the writing up of the hostels research reports.

As indicated in our previous report, the USN identified tenure options and management models as key research topics in the initial proposal. Design options and delivery models were subsequently identified as additional key research topics. However DAG has indicated that the topic of management models will be integrated into the tenure options report and delivery models will be integrated as part of the research on design options as detailed below.

2.1. Research on Tenure Options and Management Models for Hostels

A considerable amount of information for the research projects on tenure options and management models has been collected by the DAG research team (headed by Warren Smit). This is largely based on practical experience from the pilot projects as well as experience from other case studies.

The objective of the report on tenure options and management models for hostel redevelopment is to discuss the different tenure options suitable for hostels redevelopment (especially for private/grey sector hostels) and the advantages and disadvantages of each. The focus will be on the suitability of communal tenure options for hostels redevelopment; especially co-operatives and how best these are managed.

2.2. Research on Design Options and Delivery Models

The objective of the report on hostels redevelopment design options is to explore the possibilities and implications of alternative upgrading strategies for hostels and how hostels can be integrated into their surroundings. First, current hostel design and conditions are discussed, using the different standardized hostel designs in Cape Town as case studies from which to draw design principles for hostels redevelopment in general. Key themes include the issue of self-containment of dwelling units versus the sharing of facilities, rental/communal tenure versus individual ownership and the relationship of hostels to surrounding residential areas. The emphasis of this report will be on private/grey sector hostels, where there has generally been little progress with regard to hostels redevelopment to date. The report will also explore how residents can be involved in the implementation of the redevelopment.

2.3. Research and Needs Assessment at a National Level

As indicated in our previous reports the USN Network Office completed a national research paper in July / August 2001. The national research paper was aimed at documenting available statistics and case studies on hostels nationally. This information is being integrated into the four research projects. This information is also being used to help plan for the regional workshops.

3. WORKSHOPS TO CONSOLIDATE POLICY SUBMISSIONS AND SUBMIT PAPERS TO THE DEPARTMENT OF HOUSING

A series of seminars/workshops for decision makers and practitioners aimed at sharing lessons learnt and identifying gaps in hostels policy are planned. The Gauteng and KwaZulu/ Natal workshops were planned for August / September but were delayed due to the USN's preparation for and participation in the World Summit on Sustainable Development. However tentative dates have been set to hold the Gauteng workshop on 1 October and KwaZulu / Natal workshop on 4 October 2002 and the Network Office has set up contact with participants.

The national Department of Housing is in the process of revising their hostels policy based on lessons learnt from four pilot projects and as such the workshops will be happening at a very opportune time for feeding into national policy. The national Department will therefore be invited / included in all the regional workshops.

4. RESEARCH PAPERS AS THEY ARE PUBLISHED

The Network Office will publish these as soon as they have been received from the DAG.

5. MID-TERM EVALUATION OF PROJECT

As reported, a mid-term evaluation of the project was conducted in February / March 2002. As noted in the evaluation, there have been delays in implementation and as such a request for an extension of the project until April to 2003 was forwarded to USAID along with a pipeline analysis of expenditure up until then.

6. INFORMATION OUTREACH

The information dissemination activities involve the development and implementation of a training course for hostel residents participating in hostel redevelopment projects, and the production and dissemination of relevant information. Information has been collected for this through DAG's work on the pilot projects and options for information dissemination have been explored through workshops in the pilot projects.

6.1. Training

The "Social Housing Toolkit", a training manual for social housing, was purchased from the Social Housing Foundation as a resource. This provides valuable information and some interesting ideas that will be of great relevance for preparing a training manual for hostels redevelopment.

The framework for the training course has been designed and work on producing the materials has commenced. Unfortunately, the trainer responsible for developing the materials at the DAG has recently resigned, but alternative arrangements will be made to ensure that the course will be piloted in November 2002.

6.2. Publications

DAG will be responsible for finalising the content of the publications. The USN will be responsible for the production of the publications and for their dissemination to key stakeholders. This can only be done once the research papers have been completed and the hostel workshops held.

7. PILOT PROJECTS

In order to be able to build on practical experience, DAG has been involved in the conceptualisation and implementation of pilot hostel redevelopment projects, mainly in co-operation with the City of Cape Town. This is also because there is very limited experience in hostels redevelopment in South Africa. The three pilot projects DAG is involved in are very diverse and provide a good overview of a wide range of situations one can face in hostels redevelopment.

7.1. Bokomo

The Bokomo project involves the conversion of six blocks currently accommodating 24 families, each in one room, with shared facilities, into 24 self-contained family units. Different stages of the construction work were undertaken and funded separately by the City of Cape Town and the Bokomo company with DAG initially intending to play only a design role in the project. Due to a lack of formal co-ordination between the City of Cape Town and the Bokomo Company, DAG ended up playing a *de facto* project management role (particularly with regard to protecting the residents' interests). In addition the Kuyasa Fund, a housing loan fund established by the DAG, gave loans to the beneficiaries as additional funds were needed to implement the project. The project is virtually completed, but there are still a few remaining issues that need to be resolved.

7.2. Martin and East

The Martin and East project involves the conversion and extension of a complex with 14 single rooms and shared facilities into 16 self-contained family units. After extensive workshopping with the residents, DAG prepared the designs for the redevelopment. These have now been approved by the local authority.

The project was on hold for a while due to residents' concerns about affordability as most of the residents are unemployed. A number of alternatives are now being explored, for example, redeveloping the hostel into a double storey block, or else merging with the adjoining hostels redevelopment project (either of which may make the operating costs per unit more affordable through economies of scale).

7.3. Everite

The Everite project involves a hostel with 350 households on a well located 14.8 Ha piece of land in Brackenfell. None of the residents work for Everite any longer, but they have continued to occupy the hostel and there have also been new arrivals as well. The Group Five Company currently owns the land. After negotiations between the hostel residents and the company (in which DAG assisted the Legal Resources Centre), the company agreed to give the residents R1.3 million and then sell them the land for R200 000 on condition that the residents set up a suitable institution, have a subsidy application approved and that at least 60% of the beneficiaries must be ex-employees of Everite.

The draft concept plan for the hostel redevelopment, prepared by Alistair Rendall Architects, has been completed. The setting up of a Section 21 Company is currently on hold while the proposals are being finalised. Negotiations are underway with the City of Cape Town and the Social Housing Foundation, both of which are very eager to become involved in supporting the project, but who have very different visions for the project. The DAG team consists of Shamil Manie, Aaron Hobongwana and Sindiswa September.

The Everite project is important because it is well located and offers scope for exploring income generating opportunities as part of a hostels redevelopment project, and it also raises numerous issues relating to integrating hostels with surrounding residential areas (particularly so in this case, as the surrounding residents are middle class, and, as a result, the local authority is currently insisting on unrealistically high standards for the redevelopment project).

8. PROGRAMME CO-ORDINATION

The activities of the hostels programme required extensive co-ordination during the reporting period. Shamil Manie has continued to act as the DAG co-ordinator of the hostels programme. In terms of strategic direction and co-ordination of the programme, the DAG team met internally in April and then met with the Network Office in May. The following key problems with current hostels policy have been identified:

- The exclusion of private and "grey sector" hostels from the scope of hostels policy and as such the lack of a dedicated funding stream for the redevelopment of these hostels;
- The physical redevelopment / construction remains relatively easy, it is the social facilitation / issues that cause major problems and are not adequately addressed (and funded) in terms of hostels policy;
- Lack of consensus over what the end products of hostels redevelopment should be;
- Inadequate local authority management of public hostels; and
- Unsustainability of co-operatives set up to manage redeveloped private and "grey sector" hostels.

8.1. Key Issues

The key issues for the USN to focus on are therefore:

- **Broadening the scope of the Public Sector Hostels Redevelopment Programme**

The Public Sector Hostels Redevelopment Programme (National Housing Code: Part 3, Chapter 10) is limited to the upgrading of public sector hostels. While there has been a dedicated funding stream of relatively flexible subsidies for upgrading public sector hostels, private and grey sector hostels have had to compete with other projects for project-linked and institutional subsidies. There has also been no obligation for local authorities to have to do anything regarding private and grey sector hostels, and in some cases nothing has been done (and most private hostels have been abandoned by their former owners). The scope of the Public Sector Hostels Redevelopment Programme should be broadened out to include all hostels (i.e. Section 10.1 needs to be changed). The Programme should also be extended to include social facilitation (beyond the scope of just setting up a Local Negotiating Forum. A more flexible approach is needed).

- **Norms and standards for redeveloped hostels**

Section 10.5.1.1 d of the Public Sector Hostels Redevelopment Programme gives some guidelines as to minimum standards for converted rental hostels, but these are too limited. Many hostel redevelopment projects now need to comply with the strict National Homebuilders Registration Council guidelines, which are often unfeasible in the context of hostels. Current Hostels Task Team recommendations include looking into the possibility of introducing a more flexible funding mechanism linked to standards. It would therefore be an opportune time to make concrete recommendations for design standards and guidelines for redeveloped hostels, both for family units and for rooms with shared facilities.

- **Local authority management of hostels**

National guidelines for local authorities on how to manage public hostels (and other public rental housing) are required. Currently the only national guidelines relate to the phasing out of subsidized rentals over a five year period. The content of the guidelines would need to cover issues such as allocations, ensuring effective maintenance, dealing with non-payment, processes for transferring ownership and ongoing capacity building. There are many best practices that can be learned from.

- **Ongoing support for co-operatives**

For where redeveloped hostels are transferred to the communal ownership of hostel residents (usually in the form of co-operatives) there needs to be strong support from the Social Housing Foundation, local authorities and any other suitable bodies (such as the proposed social housing regulatory body). This would need to be included in the Social Housing Bill, which has recently been circulated for comment.

8.2. Methodology

Hostels are not specifically mentioned in the Housing Act of 1997, apart from Section 3(5), where it is noted that the Public Sector Hostels Redevelopment Programme is deemed to be one of the four national housing programmes. The details of the Hostels Programme are detailed in Chapter 10 of Part 3 of the National Housing Code, and this is where there will need to be focus on. Whereas parliament is involved in making legislation, the contents of the National Housing Code are largely formulated by the National Department of Housing, with inputs from Provincial Housing Departments and local government (and these are then approved by the Housing MinMEC, which consist of the Minister of Housing, the nine MECs for Housing and a South African Local Government Association representative). The main targets for lobbying will therefore be senior officials in the National Housing Department, relevant Provincial Housing Departments (those with large numbers of hostels, e.g. Gauteng, KwaZulu-Natal and Western Cape) and the large metropolitan local authorities with large numbers of hostels (e.g. Johannesburg, Durban, Cape Town). Other key stakeholders are the Social Housing Foundation and civil society organisations involved in hostel issues, e.g. National Union of Mineworkers and COSATU's research and policy unit, Naledi.

The key advocacy and lobbying tools for the USN will be:

- The regional and national hostels policy workshops, at which key stakeholders will be exposed to the USN position on hostels and best practices, and will have an opportunity to make inputs. Here lessons learnt will be shared and gaps in policy identified. Reports of the workshops highlighting key issues will be distributed to all participants.
- The dissemination of a USN position paper on hostels-related policy issues (the management and redevelopment of hostels and the potential provision of new affordable communal accommodation) to key stakeholders.
- The dissemination of the two hostels research reports to key stakeholders.

9. CONCLUSION

The programme is entering the consolidation phase where all the lessons learnt are being pulled together. The regional workshops planned for the last quarter of the year will provide the USN with a valuable platform to share lessons learnt and policy gaps. As noted previously, this consolidation comes at an opportune time as the redrafting of the national hostels policy is currently underway and is expected to be completed by May / June 2003. The USN's work in this regard will therefore be able to greatly influence national policy.