

Gauteng Infrastructure Funding Summit

Investing in Sustainable Human
Settlements

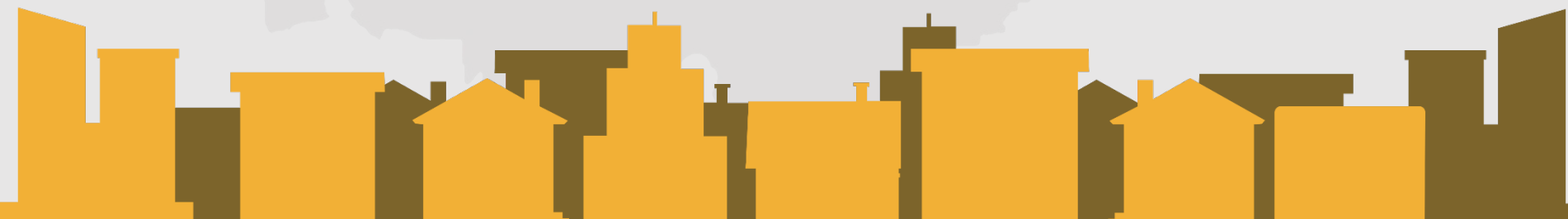
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GAUTENG MEGA PROJECTS

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PROJECT MANAGEMENT OFFICE



Presentation content

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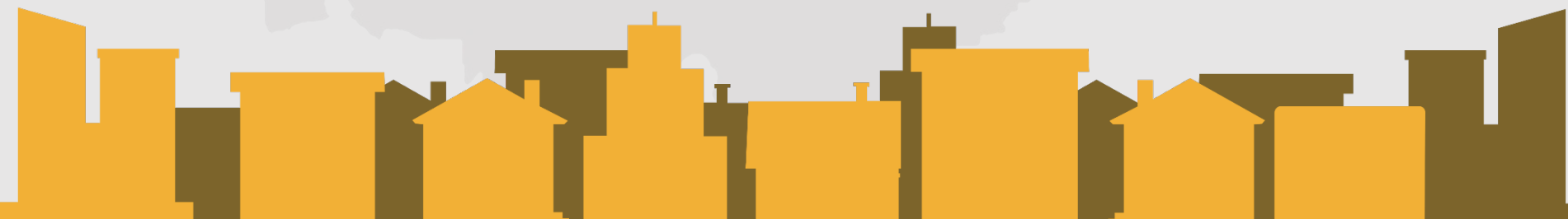


Broad description

“Mega human settlements (Mega Projects) represent a decisive departure from the uncoordinated, small scale, low impact, and sporadic as well as unsustainable housing development”. Gauteng Premier David Makhura. 2016.

This definition articulated by the Gauteng Premier, provides guidance on the characteristics of Mega Projects:

- Mega Projects are big in size.
- Mega Projects are supposed to have a high impact spatially, socially and economically to the beneficiaries.
- Mega projects must be highly coordinated amongst the relevant sister departments to Human Settlement department. These include Roads and Transport; Education; Economic Development; Community Safety; Sport, Arts, Culture and Recreation; Health; and Social Development.



Broad description

“Mega human settlements (Mega Projects) represent a decisive departure from the uncoordinated, small scale, low impact, and sporadic as well as unsustainable housing development”. Gauteng Premier David Makhura. 2016.

- Mega Projects are supposed to be coordinated as a sustained, long term development of new post-apartheid cities that are intrinsically linked to one another spatially, socially and economically.
- Overall, Mega Projects resultant new cities, must inform the essence of the Gauteng City Region.

Strategic outcomes

The strategic outcome of Mega Projects is captured by the Premier, as follows: *“[The] better management of our human settlement delivery efforts...will promote social and economic inclusion. In our view, a post-apartheid city must mirror our overall commitment to a society that is truly equal, where there is expanded access to socio-economic opportunities and where there is dignity and prosperity for all”.*

In essence, there **two (2) strategic outcomes** to Mega projects:

- to accelerate comprehensive human settlements delivery; and
- to establish a new set of post-apartheid urban development for Gauteng.

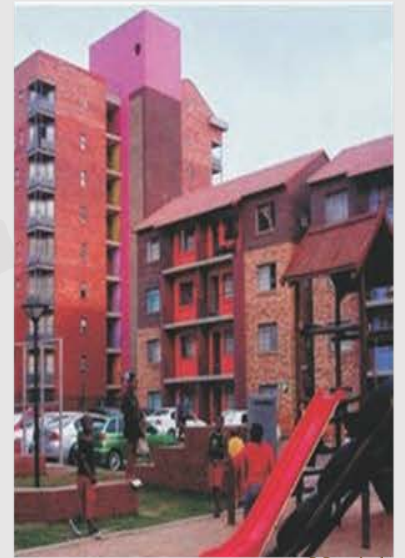
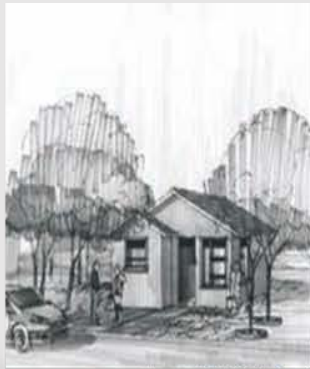
The Subsidy Agreement that has been customized for the Mega Projects further attempts to provide a clear definition of the **five (5) specific OUTPUTS**

These outputs are to be elaborated in the attached **SCHEDULES** to the Subsidy and Turnkey Development Agreements



Mega Projects – 5 outputs

- the Mega Projects implementation strategy is a radical human settlements delivery management standard, that seeks to yield not less than 5 000 housing units (preferably more than 10 000 housing units), either as part of an existing development cluster, or as a new nodal development project along the five development corridors – focus on **SCALE and IMPACT**;
- **MIXED-USE** development inclusive of housing, social amenities, open spaces, and economic, commercial and industrial opportunities;
- **MIXED-INCOME** housing inclusive of BNG housing, GAP housing (FLISP), and Open Market bonded housing;
- **MIXED-TENURE** housing inclusive of ownership housing, rental stock and social housing; and
- **MIXED-TYOLOGY** housing inclusive of free-standing and multi-story walk-ups, as well as the development of Smart Cities, including but not limited to the implementation and use of gas reticulation systems, renewable energy, solid waste and waste water recycling, along with broadband internet connectivity.





affordable housing
units - >40m² units



42



GPF MANDATE

The mandate of GPF is:

“To serve as the funding and implementing agent for integrated, sustainable human settlement developments in the Gauteng City Region and custodian of strategic provincial land transferred to GPF for effective fixed asset management and a more coordinated and efficient implementation of mega human settlement developments”

More specifically, GPF’s mandate comprises the following key roles/functions:

- 1. Fundraising and investment facilitation:** Use of public sector funding to leverage additional funding and facilitate capital flows into integrated, sustainable human settlements;
- 2. Project Financing:** To facilitate an equitable risk sharing and project financing model;
- 3. Project Funding Packaging:** Development of bankable feasibility studies and innovative funding interventions to entice capital market investment in human settlements projects;
- 4. Project implementation, coordination and oversight:** Project management, monitoring and evaluation of the development of Mega Projects by private sector developers and contractors;

GPF MANDATE & VALUE PROPOSITION

- 5. Custodianship of strategic provincial land transferred to GPF:** Life cycle management of strategic immovable assets reserved for the development of Mega Projects.
- To maintain, secure, develop and leverage the value of the land to unlock bulk funding and enhance GPFs balance sheet for sourcing additional funding for all elements/sectors that comprise integrated, sustainable human settlement developments.
 - **This includes the role of GPF as a Developer:** Turnkey planning and execution of Mega Projects on strategic land transferred to GPF, for which GPF is the custodian.
 - In this context, GPF summarises its Value Proposition (Purpose) as follows:
 - ***“To support spatial transformation and the development of integrated, sustainable human settlements across the GCR through strategic partnerships, innovative funding solutions and effective project implementation, strategic immovable assets management and development”.***

LAND ASSEMBLY

	Status	
	Phase 1	Phase 2
Land owner	Trendville Investments (Pty) Ltd	
Land zoning	“Business 2”; “Residential 4”; “Institutional”; “Educational”	“Agricultural”
EIA RoD Approval	Approved - 19/06/2012 (Ref. #: Gaut. 002/10-11/N0069)	EIA not yet submitted
Geotechnical Report	Phase 1: Complete in 2012	Not done yet
Land surveying	The General Plans for Kagiso X17 and 18 – approved.	Not done yet.
Bulk Water	Available – bulk upgrades required.	Available – bulk upgrades required
Bulk Electricity	Available – bulk upgrades required.	Available – bulk upgrades required
Access Roads	Available – bulk upgrades required.	Available – bulk upgrades required

MASTERPLAN



Mogale City

spatial framework

0 100 200 300 400m

- Urban green space
- Retail Mixed-Use Bonded
- Housing
- Subsidised Housing
- Gap/Rental
- Educational/Institutional
- Rail & Taxi
- Light Industrial

integrated housing

800m walkable area

activity spine

mixed use development

specialised logistics hub to be done along the N17 and railway link

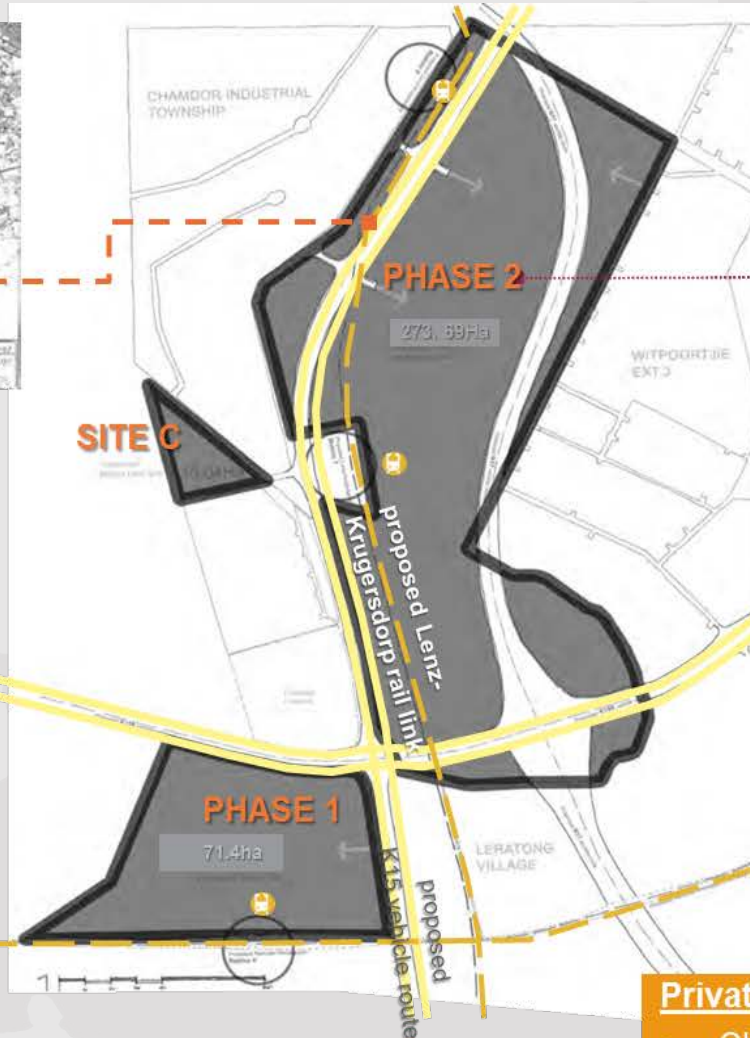
regional retail

integrated housing

Proposed Development phasing & Strategic fit



proposed Lenz-Krugersdorp rail link



kagiso link_ framework "place of opportunity"

movement link development with krugersdorp and roodepoort

movement link with places of economic opportunity

movement link with leratong hospital

movement link with chamdor industrial township

urban meeting place to celebrate life

spatial linkage between site and Phase 1

Private Sector investments:

- Chief Mogale Integrated Development - **ABSA**.
- Upgrading of Kagiso Mall – **Old Mutual**.
- Witpoortjie Development Ext 52 & 57 – **CALGRO M3**.

Recent Government investments:

- Installation of Bulk for Kagiso X13 – **MCLM**.
- Upgrade of K15 – **GAUTRANS**.
- Kagiso Magistrate Court, Police & Archive Center Precinct – **Public Works**.

PHASE 1: Land Use Structure & layout



Government Funding Allocations for PHASE 1

LERATONG PHASE 1: USDG, INEP AND TOP STRUCTURE: 2016 - 2019

Phase 1 Total Project Allocation

Committed USDG	Total (Excl. VAT)	2016/2017	2017/2018	2018/2019	2019/2020
Civil & Electrical Bulk & Link + Prof fee	R 155 100 000	R 73 604 950	R 81 495 050	R -	R -
Internal Civil Infrastructure (R43 626 per unit)	R 196 317 000	R 39 263 400	R 98 158 500	R 58 895 100	R -
Internal Electrical Infrastructure (R28 500 per unit)	R 128 250 000	R -	R 89 775 000	R 38 475 000	R -
Bulk Contributions (R15 000 per unit)	R 8 553 966	R -	R 8 553 966	R -	R -
Sub Total USDG	R 488 220 966	R 112 868 350	R 277 982 516	R 97 370 100	R -
Comulative USDG		R 112 868 350	R 390 850 866	R 488 220 966	R -

Top Structures	Total (Excl. VAT)	2016/2017	2017/2018	2018/2019	2019/2020
Top Structures (Incl. Geo Tech. Ave units per year 1 500).	R 534 287 157	R -	R 178 095 719	R 178 095 719	R 178 095 719
Comulative Top Structures		R -	R 178 095 719	R 356 191 438	R 534 287 157

Total Project	Total (Excl. VAT)	2016/2017	2017/2018	2018/2019	2019/2020
Total	R 1 022 508 123	R 112 868 350	R 456 078 235	R 275 465 819	R 178 0985 719
Cumulative		R 112 868 350	R 568 946 585	R 844 412 404	R 1 022 508 123

PHASE 1: Bulk Services Costs

- A nodal development of this scale cannot be completed without significant **contributions from the developer**, the municipality and other spheres of government, and unless significant support is shown by the Municipality and Government in general.
- Phase 1 bulk infrastructure needs are as follows:
 - Bulk Electricity: R75,8 million;
 - Provincial Road Upgrades: R 25,4 million;
 - Municipal Road Upgrades: R 19,5 million;
 - Municipal Storm water, Sewer and Water Reticulation: R16,5 million;
 - Municipal Water Tower: R 15 million.
- The External Bulk services and links cost for the housing component of the development is approximately, **R155 million**.
- There is potentially the Municipal Infrastructure Grant (**MIG**) and **USDG**; the Regional Bulk Infrastructure Grant (**RBIG**), and the Department of Energy's (**DME**) Integrated National Electricity Programme (**INEP**) funding for the external bulk to augment the existing private sector funding.
Gauteng COGTA assisting with coordination and interaction with Municipalities

Project contracting

- **TITLE DEED** or any equivalent Land Availability instrument
- **SUBSIDY AGREEMENT** – the Gauteng Department of Human Settlements and the Developer
- **TURNKEY DEVELOPMENT AGREEMENT** – the Gauteng Department of Human Settlements and the Developer
- **TURNKEY BULK AND INTERNAL NETWORK INFRASTRUCTURE AGREEMENT** – the Municipality and the Developer
- **SERVICE LEVEL AGREEMENT** as contemplated in the ORDINANCE – the Municipality and the Developer
- **IMPLEMENTATION PROTOCOL** (Mega Projects) – the Gauteng Department of Human Settlements and the GPF
- **PROJECT FINANCE AGREEMENT** – the GPF and the Developer
- **SERVICES FUNDING AGREEMENT** – the GPF, the Municipality and the Developer
- **IMPLEMENTATION PROTOCOL** (Catalytic Projects) – the Gauteng Department of Human Settlements, the Housing Development Agency (HDA) and the Developer

Project resource allocations

To achieve spatial transformation, MEC Mashatile has instructed that the MTEF Budget Allocations be adjusted to intensify the implementation of Mega Projects while deliberately downscaling and winding down the roll out of legacy projects to completion by 2020. This is reflected in the allocation of budgetary resources as follows:

LEGACY /MEGA	2017/2018 Sites	2017/2018 Units	2018/2019 Sites	2018/2019 Units	2019/2020 Sites	2019/2020 Units
Mega	16,460	14,229	14,101	25,068	14,676	27,066
Legacy	2,975	18,804	4,413	12,550	6,834	10,707
Total GDHS	19,435	33,033	18,514	37,618	21,510	37,773

Twelve Priority Projects

2017

No.	Project	District/Metro	Budget Column	2017/18 BP Targets		
				Stands	Houses/Units	
					BNG	FLISP
1	Varkeslaagte	Rand West	62 637 550	800	250	0
2	Western Mega		R 124 638 114	1214	450	250
3	Montrose		R 96 926 694	1000	402	100
4	Kwa-Zenzele	Sedibeng	R 126 631 883	1242	653	0
5	Sebokeng Ext 32		55 097 100	500	300	0
6	Nellmapius Ext 4 & The Willows	Tshwane	R 9 292 338	213	0	0
7	Tswaing Soutpan / New Eesterrust		73426422	500	426	50
8	Cullinan Ext 2		113715224	1500	392	55
9	Park City	Ekurhuleni	103 449 500	1000	500	50
10	Helderwyk		R 15 269 100	350	0	0
11	Daggafontein		R 63 529 072	500	376	0
12	Witpoortjie	Joburg	R 76 617 983	828	365	0
GRAND TOTALS			R 921 230 980	9647	4114	505

Twelve Priority Projects

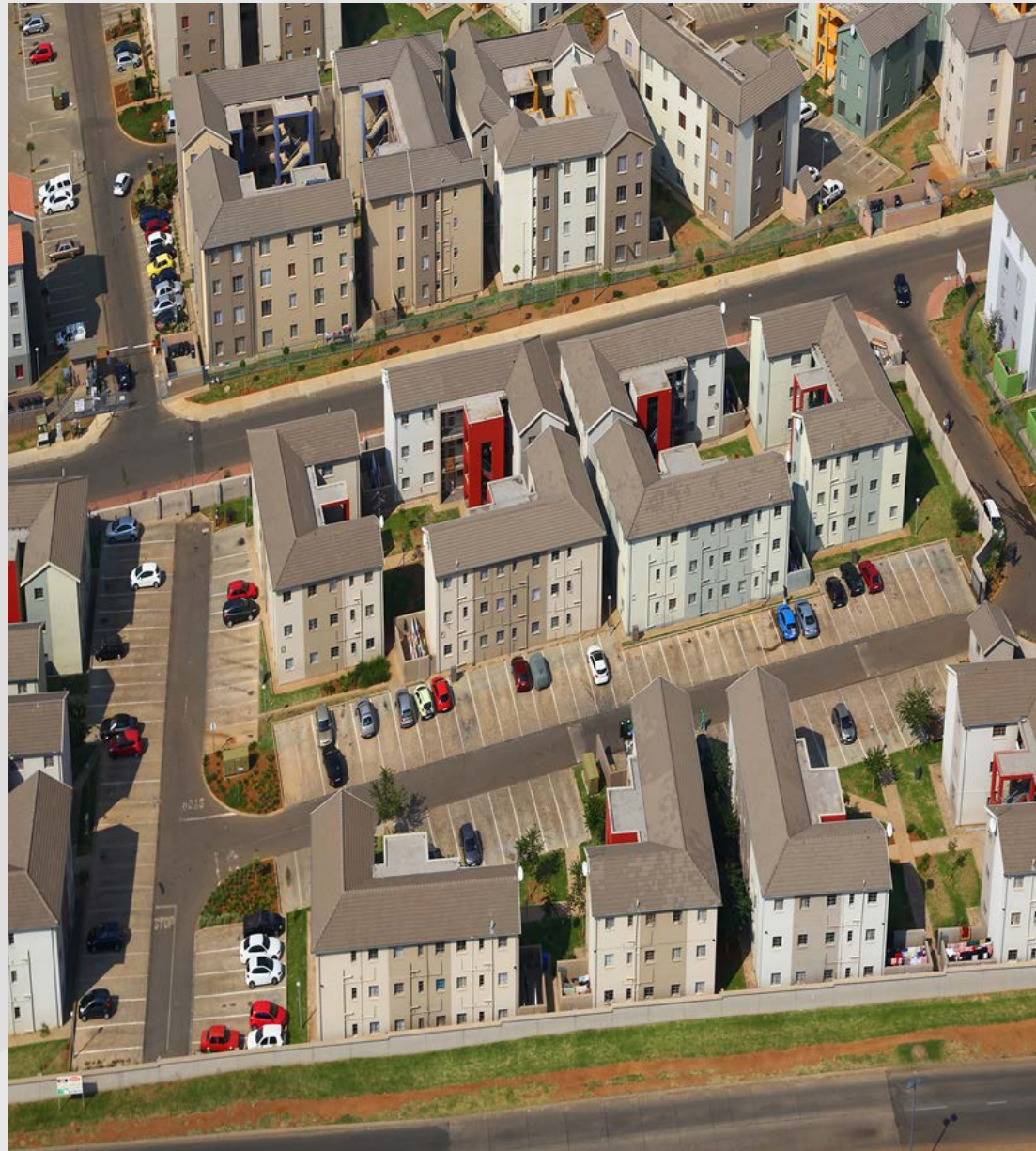
2017

- Alexandra
- Clayville
- Fleurhof
- Fort West
- Helderwyk
- Leratong City
- Lufhereng
- Malibongwe
- Riverside
- Savannah
- South Hills



Other Mega Projects

- AfriCapital (Plastic View)
- Azaadvile (ABSA)
- Bad Buildings (Joburg)
- Brakpan Old Location
- Chief Albert Luthuli
- Chief Mogale
- Droogeheuwel
- Esselen Park / Tembisa 25
- Germiston South
- Golden Gardens
- Goudrand
- Jabulani
- John Dube
- Khutsong South



Other Projects

- Kungwini Hills
- Lanseria City
- Leeuwpoot
- Mapleton
- Masingitha City
- Modderfontein
- Naturena
- Palm Ridge
- Palmietfontein
- Pienaarspoort
- R59 Corridor
- Sterkwater
- Stinkwater
- Syferfontein



Other Projects

- Tanganani x 7
- Tanganani x 14
- Thorntree View
- Thusanang
- Tsakane Ext 22
- Unitas
- Vaal River City
- Vereeniging
- Wagterskop
- Wemmer Pan
- Westonaria Borwa







GAUTENG
PROVINCIAL GOVERNMENT
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