STAKEHOLDER ENGAGEMENT IN THE IMPLEMENTATION OF SOCIAL HOUSING FLAGSHIP PROJECT: EVIDENCE FROM THEMBELIHLE, CITY OF TSHWANE, SOUTH AFRICA

Makota G, Madisha[16]

INTRODUCTION

Security of tenure remains one of the important doctrines of the current South African Housing Act. (Act 107 of 1997). While other programmes deliver freehold tenure to households, there has been a growing necessity for inexpensive rental units that provide secure tenure to households that favour the flexibility provided by rental housing (Social Housing Act 16 of 2008). The National Department of Human Settlements provides for rental households through its social housing programme. As such, the social housing programme is housing provided by the government through public and non-public organisations that are rented at substantially below market rates and are accessible to low-income households. The programme ascertains the need to address the inequities of the apartheid spatial frameworks of cities and towns by promoting integration through income and population groups.

Social housing offers a safety net for vulnerable groups and, through the allocation process, plays a pivotal role in providing accommodation for the most vulnerable people in society. Housing institutions and associations operate within a national, provincial, and local allocation system predicated on access to social housing for those most in need. The social housing programme applies to "restructuring zones" identified by municipalities as areas of economic prospect and where the urban renewal effects can best be accomplished. In addition, the programme aims to develop affordable rental housing in areas where bulk

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[16] City of Tshwane Metropolitan Municipality, Pretoria, South Africa

infrastructure (sanitation, water, and transport) may be underutilised (Social Housing Act 16 of 2008).

The remainder of Erf 3020 in Pretoria falls within what the City of Tshwane called the zone of urban regeneration, which forms part of Pretoria's north-west quadrant. It was a whites-only area due to old apartheid legislation of the Group Areas Act of 1966 (Swart 2010:64). It must be noted that the declared white-only areas and its implementation eroded the physical and social fabric of urban neighbourhoods in the north-west quadrant (Swart 2010:64). Before the implementation of the Thembelihle social housing project in 2014, the quadrant still comprised open sites and derelict high-rise buildings, such as Schubart Park which is the building facing Thembelihle. The Kruger Park housing development and the two properties have been vacant for years. Two Council reports dated December 2001 and July 2005 granted approval in principle for the land to be made available to Yeast City Housing (YCH) for the development of social housing units. The Council of the City of Tshwane, which is the highest decision-making body, resolved that the City Manager and/or their nominee be authorised to enter negotiations with Yeast City Housing to prepare a land availability agreement that the Head of Department: Housing and Human Settlements be authorised to sign on behalf of the City of Tshwane. The Thembelihle Village consists of 736 residential units which are fully occupied by tenants and 11 units which are used for commercial trade. YCH has developed the property and delivered 736 social housing units for low-income earners. The site used to belong to the Gauteng Department of Human Settlements and was one of the properties devolved to the City of Tshwane by means of a devolution agreement signed on 3 October 2002.

As part of its plans to build the core of an urban renewal process, develop derelict and open sites within the north-west quadrant and meet the growing demand for affordable social rental housing, the City of Tshwane launched the R300 million Thembelihle Village social housing project in the Pretoria inner city. The Thembelihle social housing project created a new vision for Tshwane by creating a variety of housing options, providing for social needs, enhancing amenities and developing quality streets and public spaces as key issues. Completed in November

2017, with the first occupation in February 2018, the project targets people in the low- to medium-income bracket who earn between R3 500 and R15 000 a month. The project is located close to government departments, other places of work, shops, social amenities and public transport. The village will provide housing to more than 2 000 residents.

PROBLEM STATEMENT AND CONCEPTUALISATION

According to the International Encyclopaedia of Housing and Home (2012), social housing refers to rental housing owned and managed by social landlords, which can be state-owned or owned by non-profit organisations. It aims to provide affordable housing to those who cannot meet their housing needs in the regular marketplace.   The provision of social housing is subject to several political, economic, cultural and demographic developments because it has undergone a lot of reformative programmes (Oyebanji 2014:33). Okitasari, Mishra and Suzuki (2022:03) mentioned non-economic aspects, which include environmental, technology-oriented, the sustainability of projects, social and humanistic needs, green buildings and user-focused aspects of social housing. Social housing is defined within the context of the workings of the housing market and the operation of various parts of the housing system from a range of perspectives, including new microeconomic and cultural economic conceptualisations of local markets (Ferrari 2011:03). Based on the various characteristics, components, types of social housing and arguments about how it should be defined, some common major components of social housing can be identified. A combination of these major components can be used to arrive at a common, acceptable definition of social housing. Accordingly, an attempt has been made to use the common major components of social housing to propose an internationally acceptable definition of social housing as follows: "Social housing is a form of government-regulated housing provided and managed by the public agencies or non-profit organisations using public and/or private funds for the benefit of many households, based on the degree of need, made available at below market price with the delivery of social service or not-for-profit motives on a short or long term basis" (Oyebanji 2014:36).

In practice, social housing is linked to a particular housing market and value chain wherein the importance of the flows between social housing and other parts of the housing system is recognised. According to Ferrari

(2011:05), it is important to understand the interactions between different constituent parts of social housing and, more specifically, to model the effects of changing patterns of supply and demand on them. Okitasari, Mishra and Suzuki (2022:03) bring in the element of public involvement in social housing projects, which can be measured through residents' participation in planning, design, operation and maintenance. Such public involvement could range from one-way communication through information-sharing to active involvement in decision-making. In practice, public participation in the planning and designing of social housing is highly limited. According to Galal (2017:06), encouraging community and stakeholder collaboration can lead to the creative, speedy resolution of development issues and greater community understanding of the importance of good planning and investment.

Social housing operates within the urban housing market and interacts with other submarkets, such as low-income markets. In the South African context, the term affordable housing is more common and is used interchangeably with social housing. While in other countries, social housing covers all housing that receives some form of government support or assistance. In South Africa, it refers to affordable housing regardless of the provider. Social housing in South Africa, thus, includes affordable housing provided by the private sector, co-operatives, community groups, non-profit private firms and political organisations. Social housing is allocated within a market framework, and there has been a succession of policy shifts throughout global housing systems that have sought to directly insert market mechanisms into the internal machinery of social housing. The supply of social housing has been influenced by the broader market through, inter alia, rent restructuring (Tang 2008), tenure diversification (Munro 2007) and removing state control from housing management (Gibb & Nygaard 2006).

Contemporary social housing is a segment of the institutionalisation of (capitalist) social order (Fraser 2016:163) that emerged as an effect of a global neoliberal anti-socialist transition and its neo-colonial implications. In Eastern European countries like Serbia, social housing is regarded as a failed transition to capitalist political, institutional, economic and socio-spatial standards (Vilenica 2019:04). Social housing is regarded as a residual form of housing based on legal justice dosed and imposed

through controlled procedures, which cannot effectively respond to the needs of the population and accordingly serve social justice (Vilenica 2019:04). The new social housing politics is defined as having moved from an approach based on the principles of collectivism (and solidarity) to an approach based on efficiency in providing housing solutions to those who cannot compete in the market. The term social housing has a negative connotation. Many people need housing support but do not want to feel like "social cases". This circumstance made it possible for the focus of social housing provision to shift from those who need it the most, namely people experiencing poverty, to those on middle and lower-middle incomes who cannot compete in the market. Besides providing housing to the middle-income groups, the state also subsidised housing loans for this group, thus decreasing banks' risks and interest income (Vilenica 2019:05).

Haffner and Oxley (2010), as cited by (Oyebanji 2014:40), mentioned the following four types of models for the provision of social housing:

- In the first model, the public provider is responsible for most of the roles and can subcontract to private investors only the development or production and the funding of the dwellings.
- In the second model, the private sector provides and owns social housing with government subsidies and conditions, such as observing rules for allocation, evaluation, and application.
- The third type of model concerns private-actor cross-subsidisation, in which a private actor decides to construct and negotiate for a government subsidy. The government then determines the rent or price, eligibility criteria, allocation implementation, and scheme evaluation.
- The fourth model allows housing to be produced through the market by a state agent, i.e., where a third party, possibly a government housing agency or a private developer, goes on to deliver and be managed by either public or private social housing organisations. According to Eikelenboom, Long and Jong (2021:02), social housing associations are private non-profit organisations with social goals: Providing low-income communities with affordable housing and improving their overall well-being. Social housing associations interact with a variety of stakeholders, including the municipality, tenant associations and

community interest groups. Relationships with tenants and tenant associations are essential, and these stakeholders participate in new initiatives through information sessions and consultations. Social housing associations are required to meet specific standards of professional governance and financial management. They tend to be large organisations, with boards established along corporate lines and containing highly skilled industry and sector professionals (Flanagan, Levin, Tually, Varadharajan, Verdouw, Faulkner, Meltzer and Vreugdenhil 2020:65).

THEORETICAL FRAMEWORK OF THE STUDY

This article consulted a Marxist and public choice theoretical approach to ensure the study was empirically logical. Theories are important in the study of housing. They help us understand the housing system, guide research, and inform policies to address housing-related issues. Theories are critical in the housing sector because they help us classify, analyse, and understand relations between actors in the housing development value chain (Madisha, 2021:40).

Marxist Theory

Marxist theory has theoretical and policy implications for housing, including housing provision and production, the state's role in the housing system, rent determination, and people-centred development. Marxist theory is relevant to the study of social housing because it offers a critical framework for understanding how the market, the state, resources, and housing development processes influence housing systems. Marxist theory demonstrates how the government housing system addresses inequality by providing affordable homes for lower-income households.

The theory provides a critical lens through which to examine the interaction between various spheres of government, government entities, and the private sector in shaping and implementing social housing policy. From the Marxist perspective, the government provide institutional, legal frameworks governing the stakeholders in the

implementation of social housing as it defines the role of each sphere of government and provides regulatory functions in the delivery of social housing. The regulatory function entails the government leading in terms of delivering the vision, organising the provision of social housing in terms of need, identifying beneficiaries, and regulating the entire social housing value chain.

In the South African context, there are different institutional frameworks of housing provision, for example, financing, the house-building industry, land release processes and the role of the state in the provision of housing as it relates to housing policy development and implementation, as well as the protection of end users. The production of housing involves the private sector, which represents the developers. According to Taruvinga and Mooya (2016:3), the involvement of the private sector in low-income housing provision is likely to result in more landlessness and the marginalisation of people whose income is below the poverty threshold. The modern Marxist housing theory is based on the concept of housing provision, wherein the state plays an important role by providing a framework for the definition of the housing market, land ownership, land release processes, building industry norms and standards, finance institutions, property brokerage institutions, planning systems, government interventions in the form of providing subsidies and other consumption policies (Kemeny 1987:56). According to Stephens (2019:41), governments in most nation states introduced subsidised housebuilding programmes towards rental. Through various programmes, the state prioritised social housing allocations for the homeless, low-income groups and vulnerable households to counter the exclusion of this group by market forces.

According to Marxist thinking, rent is imposed and manipulated to ensure the most profitable arrangements of land uses. This assumption is a capitalist view of the political economy of housing to exclude the low-income housing market and to ensure that rent is high and, as such, not affordable to most of the working class. The other element relevant to the current discourse is that rental housing derives not from the land's physical properties but also from how property relations govern its use and on what terms. According to Fine (2019:7), other rent determinants include external factors, such as urban development, developmental

gains, financialisation of owner-occupation mortgages and securitisation of housing units. Other costs are included in the rent, such as maintenance and repairs, administration and operation, which are indirectly paid by the tenants. Crime and vandalism are certainly one cause of increased costs for building operations and are included in the rent payable. The application of Marx's rent theory in the contemporary analysis means monopoly rent is when the rental tariffs exceed the value of housing production costs due to the land used for housing development being of higher value.

According to Selvyn (2013:49), contemporary Marxist thinking conceptualises human development as market-led and state-led, wherein it can improve workers' livelihoods. The new housing and human settlements programmes and projects are strongly influenced by the Marxist principle of putting people at the centre of any development initiatives wherein the government is striving to involve all stakeholders in their programmes, including beneficiaries of the project, to make them more able to reach their goals (Manomano et al. 2016:113). Enfu and Zhongbao (2018:185) concluded that Marxism had placed concepts, such as people-centred development, improving people's livelihoods, the principle of common prosperity and sharing achievements, at the centre stage of housing development. People-centred development embodies the basic principle and fundamental standpoint of Marxist political economics. Enfu and Zhongbao (2018:186) supported the idea that, in practice, people-centred development means that development must rely on the people, that the purpose of development is precisely for the people and that the achievements of development must benefit the people.

Public choice theory

Public choice theory refers to the process of what public goods are provided, how they are provided and distributed, and the corresponding matching rules that are established. According to Longley (2022), public choice theory is used in formulating policies dedicated to achieving the greatest benefit to the people when linking revenue raised from taxation with public expenditure. In this context, the goal of government is to maximise a sort of welfare function for society, in contrast to the goals of

self-interested economic agents such as corporations. Public Choice Theory in the context of social housing relates to political incentives and housing policies wherein politicians make decisions based on the potential to gain votes as actors in the public choice framework. Social housing policy-related activities, such as rent controls or subsidised housing projects, can be politically popular because they target lower-income voters. However, these policies may be costly to implement or could result in inefficiencies, such as the misallocation of resources or the creation of substandard housing. In this context, politicians may advocate for social housing measures without fully considering long-term economic consequences, focusing instead on short-term electoral gain (OpenAI. (2024).

Public choice theory offers valuable insights into the challenges of implementing effective social housing policies. It highlights how the self-interest of political actors, rent-seeking behaviour, bureaucratic inefficiencies, and collective action problems can all influence the success or failure of social housing initiatives. By recognising these factors and designing policies that align political incentives with social goals, it may be possible to improve the implementation of social housing and better address the housing needs of disadvantaged populations. The use of public choice in the study is relevant because when it comes to the implementation of social housing, public choice theory provides a framework for understanding the incentives and challenges that shape housing policy.

METHODOLOGY

The case study approach has been selected since it provides insight into the investigation with a view that the research questions will be understood and answered through qualitative research methods. Vohra (2014) defines case study research as the in-depth study of instances of a phenomenon in its natural context and from the perspective of the participants involved in the phenomenon. This approach involves an in-depth examination of a specific case to gain a comprehensive understanding of it. An exploratory approach was implemented to investigate the interactions and relationships between different variables in the implementation of social housing policy. The study is more

interested in studying the phenomenon to understand its nature, interactions, and relationships between different variables in a particular phenomenon, not just gathering information to support or refute a theory (Dyer 1995:51).

Thembelihle social housing project implemented by YCH in Tshwane was identified and used to answer specific research questions and to seek various kinds of evidence from existing social housing projects; evidence which was there in the case setting and which must be abstracted and collated to get the best possible answers to the research questions. The following is a list of questions that the case study answered using the scientific method:

- How did the stakeholders interact in the implementation of social housing?
- What are the key challenges and risks experienced in delivering social housing?
- What institutional legal frameworks govern the stakeholders in implementing social housing?
- What role did the regulatory institutions play in the delivery of social housing?

Target population and sampling method

Babbie (1990:110) views the population of a study as that group, usually people, from which the researcher wants to draw conclusions. The target population for this study consisted of three groups, namely:

- National, provincial, and local government officials are tasked with implementing social housing policy.
- Officials from state agencies and non-governmental organisations are tasked with implementing social housing policies, programmes, and projects.
- Officials from Yeast City Housing that are responsible for developing and managing social housing units.

Thirty-three top officials were identified as potential research participants. Only twenty-one were interviewed, and the results were generalised to the entire population. They were considered capable of expressing important personal views, perceptions, and valuable

arguments and sharing their expertise and inside knowledge of the implementation of social housing, the challenges experienced by the sector, and the future of the affordable rental housing sector.

A purposive sampling strategy was used in this study. According to Treadwell (2011:109), purposive sampling is also known as judgmental sampling because it is based on the notion that specific participants from the target population would meet the researcher's specific sampling criteria. The purposive sampling strategy selects units that are judged to be the most common in the population under investigation and assumes that the researcher knows what type of participants are needed in qualitative research (Bless et al. 2013:177). The researcher purposefully chooses participants based on specific criteria that were judged to be essential. The researcher elected to use purposive sampling based on the researcher's knowledge of the population, its elements, and the nature of the research aims and objectives (Babbie 1990: 97).

Data collection method

Primary data was collected using interviews, whereas secondary data was obtained from various documented sources. The study used semi-structured interviews wherein officials from the National Department of Human Settlements, the Gauteng Provincial Department of Human Settlements, the City of Tshwane Metropolitan Municipality Department of Human Settlements, Yeast City Housing and Social Housing Regulatory Authority were interviewed. The researcher used both closed and open-ended questions. To ensure consistency, the researcher prepared a set of core questions as a guide, which covered the study's most critical areas. The researcher used a scheduled interview where the participants and the researcher agreed on a date, time and venue for the interview. Research participants were given an opportunity to express their views, and the researcher was able to ask respondents to comment on broadly defined issues. In general, interviews are avenues through which multiple realities are constructed (Azungah 2018:387).

Secondary data was obtained from various documented sources. In this regard, documentary review was used as a data-collection method, and content analysis was used to analyse documents. Leedy and Ormrod (2013:148) define content analysis as a detailed and systematic

examination of the contents of a particular body of material to identify patterns, themes or biases. According to Elo and Kyngas (2008:107), content analysis is a method of analysing written, verbal or communication messages and a systematic and objective means of describing and quantifying phenomena. The researcher analysed the following documentary sources as part of the qualitative research aspect of this study: Administrative documents, progress reports, annual performance reports, business plans, formal studies, survey data, research materials and academic research documents, including completed dissertations and theses, accredited journals and written reports, published and unpublished statistics and institutional publications, data provided by private sector organisations and institutions of higher learning, such as universities and research organisations, historical records, acts of parliament, policies, strategies and guidelines.

Data analysis

Documents are regarded as key sources of data for qualitative research (Azungah, 2018:389). The researcher used content analysis to analyse documents, and the primary purpose of content analysis is to provide knowledge, new insights, presentation of facts, and a practical guide to action. The researcher used the following steps, as described by Leedy and Ormrod (2013:149), to guide the process: The researcher identified the specific body of material to be used and studied it in its entirety, making notes and selecting important themes relating to the central questions of the research, the researcher determined the relevance of the documents to the research problem and purpose, the researcher ascertained whether the content of the documents fitted the theoretical framework of the research by looking at the theories used in the documents and how the theories were applied. The researcher scrutinised the material in relation to its authenticity, credibility, accuracy and quality.

Recording and transcribing interviews is a routinely used approach for data collection in qualitative research studies. There is, however, a commonly held idea that the transcription of interviews is problematic. Nevertheless, this concern has captured limited attention, and researchers interrogating transcription have argued that transcription is a truthful replication of some objective reality (Tilley 2003:750). A

transcript is, according to Tilley (2003:750), a text that represents an event; it is not an event itself. Following this logic, what is described in a transcript is data constructed by the researcher for a particular purpose. The researcher organised, coded, and analysed the text in a transcription. In this study, the transcribed text was coded, and the coding process was duplicated with the audio file using a printout of the coded text.

THE FINDINGS, ANALYSIS AND INTERPRETATION OF THE RESEARCH

The section below presents the study's results, analysis of the findings and interpretation of the findings in relation to the policy context of social housing and case study questions.

Policy context in relation to the Thembelihle social housing project

The Thembelihle social housing project addressed the policy objectives of the National Development Plan 2030, Chapter 8: Transforming Human Settlements, which states that: "A fundamental reshaping of the colonial and apartheid geography may take decades, but by 2030 South Africa should observe meaningful and measurable progress in reviving rural areas and in creating more functionally integrated, balanced, and vibrant urban settlements. The project implemented on the property contributed to the realisation of Outcome 8 - Delivery Agreements: Sustainable Human Settlements and Improved Quality of Household Life. The contribution by YCH towards the delivery of social rental housing contributes to policy objectives of city restructuring, local economic development and improving the quality of life of urban households. A key function of social housing is to provide affordable accommodation to people with low incomes. It is a government programme to redress spatial inequities by providing low and moderate households with good quality and affordable rental housing opportunities on well-located land. It is intended to give these households easier and cheaper access to the developmental opportunities linked to the developed socio-economic infrastructure in the urban areas. At the same time, it is directed at spatial shifts in the urban environment (Housing Development Agency 2013).

According to the 2005 Social Housing Policy, the contribution of social housing restructuring objectives comprises three dimensions: Spatial (reverse of the apartheid spatial model), economic (job creation and economic revitalisation) and social (mix of race and income, and crime reduction at neighbourhood level). The project contributed to social housing policy objectives by showing elements of integration and consolidation of different subsidy schemes to address urban renewal initiatives as much as possible. Urban renewal is one of the policy objectives to restructure the city and implement inner-city entrepreneurial projects, efficiency, fiscal discipline, growth and competitiveness, the decentralisation of urban governance and administration, as well as economic return on investments. The main objective is to enable spatial transformation by steering urban growth towards a sustainable growth model of compact, connected and coordinated cities and towns (Housing Development Agency 2022:16).

According to Madisha (2021:208), the Thembelihle social housing project facilitated the physical restructuring of the City of Tshwane. It resulted in socially mixed communities, good socio-economic outcomes, provision of mixed-income housing opportunities, and social integration. The social benefits at Thembelihle included community development services such as attending to the holistic well-being and needs of primarily the tenants, be it individually, within the household or family, and even the social, environmental, and physical surroundings. Youth activities, events, and programmes have been set up and are being implemented to reach the target group of 14 to 24-year-olds. The youth centre is open to all youths within the inner city, although the facilities are at Thembelihle. There is a special housing needs programme dedicated to vulnerable women and at-risk young girls focusing on addressing issues of gender-based violence, domestic violence and human trafficking (Yeast City Annual Report of 2017/2018).

The socio-economic benefits of Thembelihle Village relate to integration and addressing the growing rental housing backlog, which is a significant challenge in the city. Residents of Thembelihle Village are now afforded an opportunity to live in an area close to places of work and transportation modes. They also have access to social amenities, such as schools, health facilities and community facilities, which are each located near their new homes. The project contributes significantly to the

city's renewal, thereby rationalising land uses within concerned urban areas, redeveloping strategically located land into new buildings of modern standard and environmentally friendly design, promoting sustainable development in inner-city areas and enhancing the townscape with attractive landscape and urban design.

The project addressed the following high-density policy objectives:

- Allocating new social housing opportunities to those who will benefit most.
- Dealing with the housing needs of low-income households, including young families, and vulnerable groups, including older people who want to rent and be able to afford rental accommodation.
- Promoting social and racial cohesion and integration.
- Facilitating resident involvement and delegating decision-making in inner-city investment in the City of Tshwane prime land.
- Stimulating housing demand, thereby implementing subsidised rental housing in the inner city.

Main stakeholders and their interaction in the project

The main direct stakeholders involved cut across all three spheres of government: national, provincial, and local. The City of Tshwane represented these entities. Other state entities, such as the Social Housing Regulatory Authority (SHRA) and the National Housing Finance Corporation, also contributed to the project. YCH was the delivery agent and the contractor involved in the physical construction of the project.

The South African social housing system is structured so that the Department of Human Settlements sets and determines the housing policy objectives. The national and provincial spheres ensure that funding, strategies and programmes are in place, and the local government ensures the physical implementation of social housing projects. The Department of Human Settlements played an enabling role by developing an efficient legal and institutional framework for all stakeholders involved in the Thembelihle social housing project. Although, as per the legal framework, the delivery of human settlements is a shared responsibility of the national and provincial government, the

municipality's role is limited to facilitating and planning as described in the Housing Act (Act 107 of 1997). The Department of Human Settlements has developed the National Rental Housing Strategy to promote rental housing for people earning between R7 500 and R15 000 per month, and the Thembelihle social housing project operates within the same framework. The national government funded the Thembelihle social housing project through two streams, namely a direct allocation of capital funding to SHRA from the National Treasury disbursed through the Department of Human Settlements and funds allocated to the provincial government in terms of the annual Division of Revenue Act, and this includes institutional subsidies managed and disbursed by the Gauteng Partnership Fund on behalf of the Gauteng Department of Human Settlements.

The Gauteng Department of Human Settlements made both funding and land available by preparing and signing off the devolution of land agreement between the provincial department and the municipality during October 2002, wherein land was to be transferred to the City of Tshwane at no cost, on condition that it is made available for social housing development. This arrangement was another intergovernmental relations initiative, and this was to assist in promoting the development of social housing units, which are mainly rental units aimed at the target market of people earning between R7 500 and R15 000. This was made possible by the Gauteng Housing Act, 1998 (Act 6 of 1998), which states that property or its proceeds should only be used for social housing development. The other intergovernmental relations initiative relates to the signing off of the facilitation fund agreement between the Gauteng Department of Human Settlements and the City of Tshwane, wherein the municipality agreed to (a) facilitate the removal of all blockages such as releasing land for social housing development, (b) ensure the material conditions and environment are conducive for the social housing institution to develop and manage social housing units, (c) assist YCH to formulate financial proposals to procure finance of the project, (d) ensure that sites (Erf 3020, Pretoria) earmarked for social housing are released and made available to developers, such as YCH, to commence with the individual proposed and endorsed projects and lastly € ensure that necessary resolutions required for the project are obtained timeously.

The City of Tshwane is expected to facilitate and drive a sustainable, affordable rental housing programme that achieves the government's developmental objectives. Part of this requires the municipality to develop and prioritise key development initiatives within its area and identify restructuring zones for social housing development. It is also expected to maximise the efficient use of resources to achieve its developmental responsibilities. The City of Tshwane played a crucial role in making land available for the development of social housing units. The City of Tshwane Strategic Spatial Planning Section significantly ensured that any housing development initiatives and proposals were incorporated into the preliminary designs.

According to the City of Tshwane Development Strategy, the proposed social housing development will stimulate investment into diversified and affordable housing in the inner city (City of Tshwane Council Report 2008). In terms of the Metropolitan Spatial Development Framework, the compaction and functional integration of the city are normative directives from the national level and imply higher-density urban development, greater mixing of compatible land uses and focused concentration of high-density residential land uses in nodes. The City of Tshwane Group Financial Services supported the alienation of the plot and development of affordable social rental housing opportunities within the context of the complex and evolving nature of intergovernmental relations and cooperative governance principles, noting that the provision of housing is not a legal competency of the local government sphere.

The Social Housing Regulatory Authority (SHRA) is responsible for regulating the social housing sector in South Africa. The SHRA promotes an environment that enables the growth and development of the social housing sector. It also contributed by assisting YCH in designing a socially inclusive village with mixed uses, such as retail, social and commercial amenities, and housing that can serve as an example of urban regeneration. The SHRA administered and disbursed institutional investment grants and capital grants to YCH for the Thembelihle social housing project. The SHRA also accredited YCH to implement social housing projects and to be able to qualify for funding from the government and other funders for the implementation of social housing opportunities. The SHRA is empowered to intervene if it is not satisfied

with the performance of the social housing institution, as it did during the contractor's non-performance during Phase 1 of the Thembelihle social housing project. Such intervention entails developing mitigation measures to assist the contractor in increasing performance to meet the project completion deadline.

The Yeast City Housing (YCH) has a legal position based on the Social Housing Act, 2008 (Act 16 of 2008). It is a private institution, but it fulfilled a public task by providing affordable social housing units for the population's lower- and middle-income segments. YCH has an above-average share in providing rental housing and contributing to the renewal of the inner city. YCH operates within the applicable legal framework governing the development and management of social housing and its contribution to building neighbourhoods so that the upward mobility of residents is not obliged to go elsewhere to find homes that meet their higher demands. The then Gauteng Housing Advisory Committee endorsed the project and recommended that the executive committee members approve the project. Subsequently, on 6 December 2001, the City of Tshwane endorsed and resolved to make the land available to the private housing institution, YCH. Based on its experience from the Thembelihle project, YCH was able to increase its organisational scale, expand development and diversification into intermediate and market housing, manage existing housing assets more intensively and draw upon more complex and risky forms of finance.

Main financiers of the project

In 2002, the Gauteng Department of Human Settlements requested the City of Tshwane to facilitate the transfer of the property to YCH as soon as possible to fast-track social housing development for persons who qualify for state assistance in Tshwane as per the National Housing Code and the Provincial Government Strategy. The government funds the subsidised government housing programme through subsidies. Below is a list of funders and the type of funding that was released in terms of the national housing code and other funding sources:

Name of funder	Type of funding	Amount
Social Housing Regulatory Authority	Restructuring capital grant	R92 075 795,00
Gauteng Department of Human Settlements	Institutional subsidies	R83 034 742,00
Gauteng Partnership Fund	Loan funding	R48 085 150,00
National Housing Finance Corporation	Loan funding	R23 668 283,00
Yeast City Housing	Equity funding	R23 141 178,28
Total		R271 005 148,28

Source: Yeast City Housing 2017/2018 Annual Report

The construction sectors

YCH appointed a project manager and the leading developer to manage the social housing development process. The role of the project manager was to monitor both the professional teams and the developer. The leading developer for the Thembelihle social housing project appointed the contractor for land development. The actual building construction process started in 2014. The initial project contractor did not have the skills and capacity to direct the social housing construction process, especially during the project's first phase. The same applied to the project manager, who did not have the know-how to manage a big social housing project of that magnitude hence, the project was not completed as per the schedule. The delivery of social housing units depends on the performance of the project manager and the developer capacity, government, and available resources to meet the performance expectations of the programme owner, which is YCH.

The construction sector is underperforming due to a lack of coordination, alignment and integration in the delivery system. It is suggested that more coordinated and collaborative measures be implemented to ensure buy-in from different actors. Participant B8: 3304:4286 attested, "If all stakeholders attend project steering committee meetings, there will be coordination, and things will be much more efficient. The activities that need to be aligned within the three spheres of government are issues of funding, planning and pipeline projects." The Thembelihle social housing project lacked better integration of client inputs and the material supplier team around the processes and products of construction. This was evident as there was no sense of partnership, collaboration and trust between the YCH, City of Tshwane, developer, project manager, main contractor and subcontractors.

Delivering integrated projects such as Thembelihle, a mixed-use development, presents challenges in balancing housing, retail, and social amenities (Yeast City Housing Annual Report 2017/2018).

Stakeholders' interaction in the implementation of the Thembelihle Social Housing project

Interacting with stakeholders through the project involves strategies such as early and continuous involvement through meetings, workshops, interviews and feedback sessions to ensure an effective and efficient decision-making process. With reference to the Thembelihle social housing projects, there were meetings between the City of Tshwane, the provincial government and YCH. Participant B 4:4 2135-4117 confirmed that on a continuous basis, there are project steering committee meetings, and the city chaired the meetings. Initial meetings before the project started included discussions to verify the conditions of the devolution of erf property from the Gauteng Department of Human Settlements to the City of Tshwane and from the City to YCH. What happens is that the steering committee chaired by the city to discuss challenges and project progress with all the stakeholders (D 4:4 2135-4117). Regular and consistent engagements between social housing actors are key to ensuring that all role players are on the same page concerning all cross-cutting issues, the identification of challenges, and agreement about mitigating measures. The other benefit of participating

in task teams, forums and committees is to encourage what Participant B6:6 4839-6157 called "the element of being an equal partnership, mutual understanding of roles and responsibilities of actors and a clearer understanding of challenges facing the social housing sector."

The following principles of stakeholder engagement were adhered to:

- Public consultations for the project were arranged during the whole project life cycle and carried out openly, free of external manipulation, interference, coercion, or intimidation.
- Informed participation and feedback, including information sharing, were provided to and widely distributed among all stakeholders appropriately; opportunities were provided to all stakeholders.

Both primary and secondary stakeholders were provided with information and feedback, wherein comments and concerns were addressed.

All stakeholders were always encouraged to be involved in the consultation process and were given equal access to the key principle underlying the selection of engagement methods.

DISCUSSIONS: KEY CHALLENGES AND RISKS EXPERIENCED IN THE DELIVERY OF SOCIAL HOUSING UNITS

Difficulty in land acquisition: This relates to how the land was acquired, noting that the administration of land in South Africa is complex and the current land release systems are cumbersome, as it took the City of Tshwane almost ten years to transfer the property to YCH for social housing development (Madisha, 2021:2013). At some point, the local ward councillor did not support the transfer of the property to YCH, questioning why there was no competitive bid for all potential developers. There were also negative comments from the City of Tshwane departments questioning the project's viability and requesting YCH's financial statements for the report to transfer the property to support the organisation's financial position. According to Madisha (2021:214), transferring the land to social housing institutions is

cumbersome and affects the delivery of social housing. YCH employed the services of a law firm to force the City of Tshwane to comply with the devolution of land agreement between the City and the province and comply with the facilitation fund agreement between the City and the province. The release of the property to YCH was not a straightforward process, and volumes of letters, reports and meetings between the City of Tshwane, the provincial government and YCH to the extent that the developer (YCH) felt that the project would never be implemented as it was in and out of both Mayoral Committee and Council agendas.

The other risk was that the property remained vacant for a long time due to the City of Tshwane's indecision to transfer the land to YCH. The property was under threat of being invaded illegally, and it was not generating any income for the City of Tshwane or contributing to inner-city regeneration. The property was being misused by taxis operating in the area.

Appointment of a building contractor with the capacity to deliver a big project such as Thembelihle, which has over seven hundred social housing units.

Keeping the social housing development costs down, add-ons such as children's facilities were not subsidised by the government but provided for by YCH. The delay in transferring the property affected the City of Tshwane, the provincial government, and YCH in delivering its social housing delivery targets. Thus, the city failed to enhance the quality of life of inner-city residents and provide access to services to those previously denied such access through apartheid planning systems.

Supply of social housing production inputs, such as the increasing cost of building materials and labour, and all pre-project implementation costs, such as project planning costs, including but not limited to geotechnical, transport, and bulk services studies associated with a project. YCH's appointment of a professional team to do all the preliminary work for the project did not put pressure on the City of Tshwane to transfer the land.

Termination of building contractor processes took longer than expected due to legal and financial implications.

There was also a lack of a comprehensive and effective social housing implementation strategy which outlined each stakeholder's roles and responsibilities, including the government's role.

Current challenges experienced by the Thembelihle Social Housing project

The Tshwane non-profit social housing company YCH, which manages Thembelihle, has been placed under business rescue. The company has a debt of R130 million, and its financial problems are blamed on a rent boycott during the COVID-19 pandemic. The company has several buildings with vulnerable tenants and low-income households. There are fears that its buildings will be sold and the social housing units will be lost in Tshwane. YCH rents out low-cost residential apartments and houses in several of its buildings in the inner city (https://www.groundup.news/article/tshwane-non-profit-social-housing-company-in-business-rescue/ 1/4).

The creditors include the National Housing Finance Corporation and the Gauteng Partnership Fund, which remain the project's main funders, and no units will be lost. Business rescue practitioners are on the ground trying to save the company and the housing units, but everything is at risk. The company started civil proceedings against rent defaulters, but its legal action failed. Over R2 million in legal fees was spent as the company had to do something because people stopped paying rent. YCH appointed a business rescue company in May 2024 to save the company (https://www.groundup.news/article/tshwane-non-profit-social-housing-company-in-business-rescue/ 1/4).

The institutional, legal frameworks governing the stakeholders in the implementation of social housing.

There are currently systems of formal laws, regulations and procedures, as well as informal conventions, customs and norms that shape the

implementation of social housing behaviour. The laws are put in place to ensure an effective and efficient institutional arrangement and to clearly define the role of each stakeholder in the implementation of social housing. The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) is key legislation that controls the overall fiscal management of municipalities and, importantly, deals with the conditions for the transfer of assets. In doing this, it defines the following important points about the disposal of municipal assets: The Housing Act, 1997 and the Social Housing Act, 2008 both cover the sustainable housing development process, principles, objectives and aims, and the roles, responsibilities and functions of the national, provincial and local government. The Social Housing Act of 2008 clearly defines the functions of all stakeholders in the development and management of social housing units. YCH, being a delivery agent as per the Social Housing Act of 2008, delivered the project and met all the social housing policy aims, objectives, legislative measures and related guidelines. The contribution by YCH is an important milestone in addressing the provision of affordable rental housing in the inner city of Pretoria. More importantly, the project meets the objectives of the Urban Development Strategy, Spatial Planning and Land Use Management Strategy, Urban Corridor Programme and Human Settlements Planning and Design Guidelines.

The role regulatory institutions play in the delivery of social housing

The SHRA is the main regulator of all social housing activities in South Africa as mandated by the Social Housing Act 2008. Its mandate includes accrediting social housing institutions, subject to them meeting the eligibility and accreditation requirements. As part of the regulation process, the SHRA will gather intelligence to inform the assessment of accredited social housing institutions. YCH submitted monthly, quarterly, and annual reports to the SHRA, in which the regulator would review the submitted quarterly reports, conduct annual stability checks of YCH business plans and annual accounts, and undertake periodic visits to conduct inspections on-site. Regularly, the SHRA conducted in-depth assessments using a risk-based approach to assess YCH's financial strength, risk profile, approach to value for money and quality of governance. Participant B5:5 10520:11805 confirmed the role of the

SHRA to be: "the institution that is supposed to channel funding and regulate the activities of social housing institutions, government institutions and state departments in the implementation of social housing projects and regulates the disbursement of restructuring grants to social housing institutions."

On an ongoing basis, the SHRA identifies and communicates emerging trends and risks at sector and subsector levels and maintains the confidence of stakeholders, such as lenders. In a nutshell, SHRA's role with regard to Thembelihle included the following:

(a) Assessed the financial viability of the Thembelihle project every quarter and checked if the social housing construction process was managed correctly and whether YCH performed its functions efficiently, effectively and economically.
(b) Continuously provided YCH with proper support to deliver sufficient social housing units to meet the current demand for affordable social housing in Tshwane.
(c) Ensured that value for money was obtained from public investment in the delivery of social housing units by YCH.
(d) Guarded against the misuse of public funds by YCH.
(e) Ensured that tenants of Thembelihle project have the opportunity to be involved in its management and hold their landlords to account.

The SHRA is a statutory body that is duty-bound to perform its functions in a way that minimises interference and is proportionate, consistent, transparent, and accountable. The SHRA is accountable to Parliament for the discharge of its fundamental objectives.

RECOMMENDATIONS

The findings show that the government must create and uphold a solid institutional and policy framework to fast-track land release for social development initiatives. There are rapid land release programmes at national, provincial, and local levels, and the pace of implementation of those programmes is to improve as it impacts the cost of delivery of social housing units. Releasing land and buildings to provide social

housing in locations with social and economic infrastructure is critical and depends on the speedy release of land.

Municipalities can facilitate the delivery of social housing by facilitating an enabling and conducive environment. The participation of the private, financial, and non-governmental sectors is key to delivering social housing units.

Coordination of social housing activities and functions in terms of intergovernmental relations between the three spheres of government has profound policy implications. A coordinated restructuring framework plays a key role in ensuring consistency with the plans, policies, and funding frameworks of other spheres of government.

The results show that social housing plays a significant role in addressing inequality and social injustice. It creates a more inclusive environment where low-income earners live alongside higher-income households. Beneficiaries of a social housing project enjoy the same benefits of quality social housing units and access to other services such as transportation, social amenities, economic opportunities, etc. Through social housing, not only is shelter provided, but other services are also provided, and the beneficiaries depend less on the government.

CONCLUSION

The Thembelihle social housing project remains a well-executed social housing project in the City of Tshwane. The study has managed to indicate the relations between the three spheres of government in implementing a project and coordinating activities to achieve social housing objectives. The study has revealed the issues that affect the implementation of the social housing policy in South Africa. The study stated that the issues that endanger the implementation of the government's free social housing policy include difficulty in transferring land, the appointment of contractors with the capacity to deliver massive projects, lack of a comprehensive and effective social housing implementation strategy which outlined the roles and responsibilities of each stakeholder, including the role of the government. Thembelihle is

a good example of how to integrate mixed housing in the inner city as a way of undoing the apartheid legacy of racialised spatial planning. The municipality plans to attract more social housing institutions into the city to ensure increased levels of housing for low- to middle-income households. The study presented the policy implications in relation to the role of the municipality in ensuring the environment is conducive for social rental housing in the inner city.

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