

Franschhoek
Land and Housing Development
Policy Framework

AGREEMENT

16 February 1998

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We, the stakeholder organisations of Franschhoek agree as follows:

1. The principle of consensus

We have reached full consensus regarding the terms of this agreement and bind ourselves in utmost good faith to it.

The Council has also agreed to the terms of this agreement and we now present the accord to the Council for approval and ratification.

2. Integrated Development Plan for Franschhoek

This agreement shall form part of the Integrated Development Process and guide the future Structural Plan for Franschhoek.

3. Principles

This agreement, which determines the land use for Franschhoek as well as providing for matters relating to housing and incidental matters, is based on the relevant legislation i.r.o. housing and development, as well as on the vision and mission accepted in December 1997 for Franschhoek, and is founded on the following principles:

1. Spatial effectiveness (proximity to schools, commercial centres, and amenities).
2. Optimal cost effectiveness, including opportunity cost
3. Optimal utilisation of funds and resources
4. The preservation of land values
5. The discouraging of urban sprawl
6. The sustainability of solutions
7. A holistic and integrated approach
8. The integration of Franschhoek as one village
9. The preservation of the environment
10. The provision of land for the appropriate housing of all income groups

11. The acquisition of individual title and ownership to Franschoek residents
12. The optimal utilisation of infrastructure
13. The inclusion of medium and long term future planning
14. The preservation of the economic potential of the village
15. The improvement of the village image.
16. The improvement of quality of life of all residents of the village

4. The determination of the Municipal Boundary

It is agreed that the Franschoek Municipality will in the immediate term incorporate in its boundaries the area B marked on ANNEXURE A {Map} hereto, the area M, being the farm Mooiwater, and the land between the railroad and main road, to the west of the main road.

It is agreed that the future boundaries of the Municipality will aim to incorporate the entire valley, up to the Berg and Wemmershoek rivers, based on the principle that those areas which receive services and which form an integrated economic entity should be incorporated and be proportionally liable for taxes. The Town Council is requested to initiate negotiations and to start taking the required steps towards such incorporation without delay.

5. The determination of land and housing need

1. High cost

It is agreed that land currently owned by the Municipality should mostly be commercialised as high cost developments, to fund land acquisition and infrastructure for low-cost projects. The principle of cross subsidisation and financial support derived from high cost development is agreed upon.

Being self-sufficient, this group does not require direct Municipal assistance in housing. (referred to hereafter as “**Group 5**”)

2. Medium Cost

It is agreed that the Municipality has a direct responsibility i.r.o. facilitating medium cost development.

The short and medium term need is agreed as follows:

100 units

Medium cost housing is defined as those groups who do not qualify for the benefits in terms of the National Housing Policy, or where this subsidy is insufficient, and where the beneficiary can afford to build a house to the value of:

Group 3: up to R80 000.00

Group 4: up to R150 000.00

3. Low Cost

It is agreed that the Municipality has a direct responsibility for low cost development. The short and medium term need is agreed as follows:

1010 units

Low cost housing is defined as those groups who:

Group 1 : do not qualify for the subsidy of the National Housing Policy, and cannot raise capital on the open market. These beneficiaries will receive a serviced site. The standard of services will depend on funding and ability to pay for the services.

Group 2 : qualify for the subsidy in terms of the National Housing Policy

6. Available land description

1. The following land is referred to in ANNEXURE A and is categorised for the purposes of this agreement as available land, land where development is to be encouraged, or land to be acquired as the case may be:

Symbol	Name	Owner	Size
L	Langrug	Municipality	9,5ha
M	Mooiwater	Garlic	36ha
V	Vietnam	Municipality	1
B1		Palozollo	2,6ha
B2		Lotter	0.7ha
B3		Lotter	12.3ha
B4		Hellinger	1,82ha
B5		Mcgahey	14,25ha
B6		Loubscher	12,3ha
B7		Hauman Trust	5ha
B8		Wilson	15,29ha
B9		Clark	12ha
A1		Municipality	1,8ha

A2		Municipality	5ha
G		Municipality	1ha
H		Municipality	1,5
C	Meentgrond/Common	Municipality	66

7. Approach

We agree that the land use and housing programme for Franschhoek be approached from a socio-economic perspective, driven by business principles. In meeting the social need for land and housing for the residents and future residents of Franschhoek, the assets of Franschhoek are to be carefully and creatively managed so as to ensure their optimal utilisation, the maintenance of their environmental attractiveness, and to generate maximum funding for development, with housing a priority.

8. The Development Trust

We agree to the establishment of an independent trading Trust (to be named “Franschhoek Incorporated?”), in terms of the provisions of the Housing Act section 9(2)(a)(iv) i.r.o. the creation by Council of a “business entity”.

The aim of the Trust shall be to make proposals to the Council regarding the management, commercial exploitation and development of the land assets of the Municipality, and the acquisition, planning and development of suitable land whereupon to satisfy the housing needs of the residents of Franschhoek. The assets to be taken under management, include all existing and future municipally-owned land available for economic development, as well as trading and development rights associated therewith.

The formation, powers, and nature of the operations of the Trust, as well as its relationship with the Municipality, shall be the subject of a process to be lead by S D Raubenheimer. This process will also determine the nature of the assets of the Trust, and the relationship of the Trust to Municipal assets. This process will set out in the form of an agreement the rights and obligations of the Council and the Trust. The Trust and the Council will act in terms of the agreement to be determined between them, and will accordingly co-operate in a partnership. Once this process has been finalised, the Trust will be formed.

The Trustees will equitably represent all the stakeholders to this agreement in a manner to be determined in the above process. It is intended that trustees should offer their expertise free of charge.

The Trust shall consult with all stakeholders and interested parties in the process of formulating its plans and proposals. With regard to housing, the Trust shall specifically consult the intended beneficiaries.

The Trust will be entitled to negotiate, subject to the rights and responsibilities of the Council, with third parties with a view to the maximising of the value of the assets owned by the Municipality. In this

way the Trust may present plans to Council for the sale or lease of assets, the development of assets, the establishing of joint and other ventures relating to the assets, the raising of finance and collateral against the assets, and so forth. The Trust shall further present to the Municipality , appropriate plans for the acquisition and utilisation of land, as well as submit detailed proposals for housing projects to be developed in accordance with this agreement.

The duties and activities of the Trust will not in any way impair the Council from continuing with its responsibilities in regard to this agreement.

9. Land Acquisition

We agree that the funds generated through the land assets referred to be utilised to purchase area M [Mooiwater], areas B1 and B4 [Palozollo and Hellinger] and area B2 [Lotter]. We propose the purchase at a later stage of area B7.

Further portions of the area B which may need to be acquired, shall be investigated by the Trust at a later stage.

10. Land Use

We agree that the lower section of area M be utilised for Groups 1 & 2. We agree further that B1, B4 and B2 be utilised for Groups 3 & 4, each development to form a comprehensive entity providing for sporting and recreational amenities, churches, green areas and so forth.

We agree that a 50m belt parallel to the main road running next to area B, will not be claimed for housing development, nor will development plans for the B area be approved with plans for housing in this belt.

We agree that selected qualifying applicants as defined in terms of the process referred to in this agreement, will be granted full title to land with a view to creating a class of independent land owners.

For Groups 1 & 2, erven will be appr. 200 sq. m. in extent, or at higher density where specifically agreed. Such erven will all be serviced, with *inter alia* adequate roads, storm-water drainage, street lighting, and individual access to electricity, potable water and sewerage. In all areas space will also be provided for amenities, as and where appropriate.

We agree to the provision of a site for the establishing of a Housing Bureau, should funding for such a Bureau be sourced, to provide residents with all forms of capacity development regarding land ownership and construction of houses.

We agree that the present Langrug and the upper section of M be ear-marked for Groups 4 & 5.

We agree that the private development proposals received by Council i.r.o. areas B5 and B9 be supported. This support shall be conditional on negotiated additional contributions to External

Services and Development Funds, and harmonising of services infrastructure, *inter alia* in support of the service provision in B1 and B4. The developer in B9 shall also be required to contribute to the maintenance of Wes Eind School.

We agree to the development of area H at best value on proposals to Council by the Trust for smallholdings or plots in the high cost category.

We agree to the exchange of area G for land behind the Municipality. The need in town for apartment accommodation must be taken into account when development proposals are considered.

We agree that the Trust propose the development plans for these areas and such further vacant plots as can be suitably developed.

We agree that area A2 be set aside in trust for land claims compensation - land claims being a matter that we would prefer to see settled locally, through direct tri-lateral negotiations between the Land Claims applicants, affected land owners and the Municipality, in conjunction with the relevant state authorities. It is requested that Council urgently convene such a meeting and initiate the negotiation process.

We agree that area A1 will be utilised for the establishment of 34 erven (or higher density group housing, if appropriate) to be allocated for medium cost housing. The Council will develop the properties and sell the developed erven at the cost price of the development costs. The land itself will be transferred free of charge.

We agree that area V be cleared of all informal settlements and that no claim for housing be made against this area.

We agree that area C be dealt with as a major asset, to be developed and marketed by the Trust to best commercial advantage, in order thereby to raise funds for land acquisition, infrastructure development and cross-subsidisation i.r.o. low-cost housing in areas B and M.

11. Time Frame

We agree that the Trust should, within six months of its foundation, develop concrete plans for presentation to the Council i.r.o. the commercialisation and utilisation of Municipal assets and the provision of housing as per this agreement, in order that results may be seen by the homeless as soon as possible. The contracting parties reserve the right to revert to their positions prior to this agreement (which *i.a.* proposes the development of the commonage for housing those presently lacking same), should clear indication of the capacity to deliver i.t.o. this agreement not be demonstrated by the end of 1998.

12. Conservation area

We agree to the enlargement of the Historic Conservation Area to include as far as is practicable, all

historic structures in the municipal area, as well as the area between the railroad and main road, to the west of the latter.

13. Economic development

We agree that controlled and suitable economic development is essential for the sustainability of the housing plan.

It is agreed that the establishment of commercial, light industrial and tourist friendly craft areas should be incorporated in the Integrated Development Plan for Franschhoek, centred on the present light industrial zone to the west of the proposed La Cotte roundabout..

We agree that Council should establish a workgroup, similar to the housing work group, to address the issue of Economic Development and Job Creation as part of the Integrated Development Process, to be facilitated by Mr. S. Raubenheimer. This work group is to study, and make recommendations to Council regarding a suitable economic development policy for Franschhoek, addressing all related issues but with special attention to job creation, and commercial and industrial land use zoning. This work group shall present its proposals to the Council by end March 1998.

14. Census and population data; influx

We agree that the residents and incoming residents of the town in informal settlements be counted and a data base be developed recording all necessary information regarding the residents for the purposes of the housing plan.

The waiting list shall also be updated urgently, after due consultation.

We agree that proper allocation criteria for the low and medium cost housing (Groups 1 to 4) be established by the Council, upon advice from the Trust.

We agree that the Town Clerk and the community organisations shall, in the interim, co-operate to control the erecting of further informal housing for new arrivals, particularly in non-serviceable areas such as that above the Langrug reservoir, and that such new arrivals shall be made aware of this agreement and shall be subject to the information process referred to above.

15. Communication

We agree to the establishment of a Communication Committee, made up of 6 members of the parties to this agreement, as well as of the Town Clerk in a liaison position with the task to achieve the following:

- ?? to reduce this agreement into a simple pamphlet in English, Afrikaans and Xhosa for distribution among Franschhoek residents.
- ?? to communicate to local media the terms of this agreement

- ?? to communicate to all other forms of media the terms of this agreement and related events
- ?? to hold question and answer sessions with residents to explain and publicise this agreement
- ?? to communicate with landowners referred to in this agreement as a courtesy
- ?? to communicate with the farming community concerning problems i.r.o. farm labour housing

16. Social Compact

We agree to the terms of the following social compact (which shall be reduced to simple language in English, Afrikaans and Xhosa by the communication committee), which shall be signed by all residents acquiring land in terms of this agreement in the low and medium cost areas.

“As a person that qualifies in terms of the criteria determined in accordance with this agreement and the criteria as provided for in the National Housing Policy:

- ?? I understand that I shall receive free of charge – upon binding myself to this Social Compact - freehold title to my own plot of land as part of a once-off process of normalisation aimed at the creation of communal unity, the spatial integration of the town Franschhoek, the promotion of individual land-ownership and the creation of opportunity for self-upliftment and economic advancement
- ?? I understand that the level of services to this plot, and the level of subsidising of the services cost, will be determined by the Council, in consultation with the Trust, the Western Cape Housing Board, and the beneficiaries, and will depend on availability of funds
- ?? I understand that this shall be achieved as a matter of urgency through the joint efforts of the Council and community organisations as represented in the Trust
- ?? I understand that community structures that represent me were part of this planning process
- ?? I understand that I myself, and all community structures will be continuously consulted in respect of this plan
- ?? I understand that as a landowner I will have an asset which has value, but for which I will be responsible
- ?? I understand, and herewith accept and support the Council’s right to take legal action against me, or against any others, if I or they transgress the terms of this Social Compact
- ?? I agree, in return for this free grant of a plot of land as described herein, to co-operate with the Council’s housing plan in respect of allocation, relocation, and ordered development
- ?? I agree to help the Council with the supply of information it may need for this plan
- ?? I agree not to take part or encourage or support any uncontrolled squatting
- ?? I agree to RDP principles related to housing provision and development, and agree specifically to personally support the Masakhane campaign by promptly paying for all services and utilities used by me, and such charges as levied by the Council, unless I can show good cause consonant with the terms of my contract of acquisition
- ?? I agree to co-operate fully with all law enforcement agencies in the prevention of crime in the Franschhoek Valley, and bind myself not to commit any crime
- ?? I agree that my rights to the plot accorded me in terms of the Housing Plan of the Council may be unilaterally withdrawn if I do not adhere to this Social Compact and the terms of my contract; in particular, if I should be found guilty of a serious crime and receive a non-suspended sentence of imprisonment from a competent court, if I fail to uphold the Masakhane principles, or if I aid and abet any illegal squatting.”

In this way, we - proud residents of Franschhoek - herewith bind ourselves to individual freedom of spirit, compassion, justice and economic development, and equally to individual responsibility, ordered community life and good neighbourliness.

SIGNED AT FRANSCHHOEK ON 16 FEBRUARY 1998

The Executive Organ of the Council (The Town Clerk) :

The Rate-Payers Association :

The Land Claims Committee :

The Housing Action Committee :

The RDP Forum :

The Chamber of Business :

SANCO :

Vallee Tourisme :

The Franschhoek Development Forum :

The Housing Forum :

Vignerons de Franschhoek:

The Franschhoek Trust:

The Town Council of Franschhoek (the Mayor):

**BY SIGNING THIS AGREEMENT, WE - THE DULY MANDATED SIGNATORIES -
HAVE SOLEMLY BOUND OUR ORGANISATIONS AND INSTITUTIONS TO THE
SPIRIT AND TERMS OF THIS ACCORD.**