

Developer-driven housing leaves city's poorest in the cold

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Perched on the western bleachers of the Orange Cruyff Court at the BG Alexander housing complex it's hard not to buy into Madulammoho Housing Association's idyllic vision of Hillbrow.

Just south of the Astro Turf pitch, donated by the Dutch football team, the building's imposing facebrick Block A obscures the downtown skyline. Across the fence, on the corner of Claim and Smit streets, is Europa House, a converted former den of sin and the company's flagship project, which comes complete with demure sea-green balconies capped with requisite satellite dishes. A little further up the street is the austere Elkerro House, a refurbished former old-age home that lounges languidly in the Friday sun.

BG Alexander is a joint venture between Madulammoho and the Johannesburg Social Housing Company (Joshco), two of the major players in the city's social housing landscape. Madulammoho has seven projects in the city and another two being developed in Fleurhof and Soweto.

Joshco, meanwhile, has a mandate from the City of Johannesburg to eradicate the housing backlog. It attempts to do this by filling the shoes of a developer, securing land and funding (either through grants or low-interest loans) and appointing contractors to build. The company also refurbishes existing properties and manages some of these on behalf of the city.

But BG Alexander is the joint venture's jewel, a former nursing college which takes up an entire city block and includes functional communal housing units, and one and two-bedroom apartments as well as emergency housing beds. It is made up of three residential blocks, separated by courtyards. One courtyard doubles as a parking lot, while the other is flanked by a church, recreational facilities and a kitchen. There is also a lecture hall and a crèche.

Hillbrow: The danger zone some call home

The golden era of Hillbrow is long gone. The past 20 years have seen the area become synonymous with crime and thugs, but projects like the eKhaya Neighbourhood City Improvement District make transformation seem possible.

On this bright, warm afternoon, we idle around the courtyard to the sounds of children playing and workers doing routine maintenance while we wait for our chaperone, a stoic karate sensei, Thembalabo "Kiro" Febana, to appear.

Kiro, lanky with baby finger-length dreadlocks, conducts regular karate classes in one of the halls and manages the property as well. He lives in a penthouse on one of the blocks.

In one hall a portly white man delivers a life skills lecture to a group of about 100 unemployed men and women. Some minutes later, they queue up for chicken stew and pap before filing back out into the streets.

Madulammoho's approach to community activism is a by-product of the company's genesis from a church-based, non-profit organisation called the Metropolitan Evangelical Services (MES).

In 1989 MES developed volunteer-driven training and support programmes targeted at homeless youth in the inner city.

By the late Nineties its "prevention, intervention and exit" strategy was assisting the unemployed and destitute with training and finding entry-level jobs. To help its trainees retain their employment, the organisation explored residential care based on a transitional housing model.

Initially MES found it hard to secure government funding, as its model was deemed similar to apartheid-style hostels. MES found the social housing model the government employed -- which involved social housing institutions buying and refurbishing buildings using loan finance -- to be out of the reach of the poor, necessitating, it believed, one based on affordability as the starting point.

From that premise the group's housing ladder was conceived; a progressive system that would offer would-be clients a variety of options: shelters, transitional housing, communal housing and social housing. In many of its current projects a number of options are available all in one building, as is the case at BG Alexander and Europa.

Transitional housing involves shared rooms, bathrooms and facilities and a lease agreement in which the individual rents a bed and locker, while communal housing offers a room for a maximum of two adults and two children. Its social housing facilities consist of self-contained units but require private-sector involvement in their management and funding.

The remaining 5% of the company's housing stock is market-related rental units, which are spread throughout its portfolio, alongside the tiered options that aim to encompass every income level.

At the company's modest offices on Kaptjein Street, Madulammoho chief executive Renier Erasmus explained the association's economic model.

SHRA

The company, which is registered with the Social Housing Registration Authority (SHRA), a national regulatory body, gets a once-off capital grant for each project, with which it can either purchase a building, build a new building or renovate an existing one. That once-off grant allows Madulammoho to lower the loan finance required; all the operational costs are met through the rentals received.

"Our main aim is to see how far we can lower the rental accommodation in the city," Erasmus said.

He was at pains to emphasise that it was impossible to stay with Madulammoho if you were not going to pay your rent, but the company does have an "anti-eviction policy" which tries to stave off that eventuality until all other avenues have been exhausted. Residents are encouraged to come forward if they anticipate financial problems that will affect their monthly payments.

And since the company offers a range of options, he said, proactive tenants can always negotiate the option most suitable to their current financial situation.

While the system is not without its casualties, there are those, like Thabang Lesolle, who have used it to maximum benefit.

Hailing from Mafikeng in the North West, Lesolle came to Johannesburg about 11 years ago and began sharing a room with four other men in Mayfair. After finding a job as a cleaner at Montecasino, he would travel by foot from the Bree Street taxi rank to Mayfair. But that routine soon became tiresome.

"In terms of public transport, Hillbrow was a must," he says. Lesolle relocated there, sharing accommodation with various people until he found himself living in a Hillbrow brothel.

"In 2004 I ended up at Royal Park on the sixth floor, paying R1 400 for my room," he says. "This time my friends got me evicted by always getting in for free and pretending they were there to see me."

Over the next five years Lesolle moved several more times before ending up at Cornelius House, the Madulammoho building in Marshaltown, where he was staying in a communal facility and paying R350 a month.

"The room could fit only a bed and a fridge," he says. "My TV had to sit on top of the fridge."

Three months later Lesolle, who was by then a cashier at a sports betting facility, moved to Europa House, where he shelled out R950 a month.

"I had a good first impression, so I told myself that was where I would stay for a while."

After losing his job he consulted Madulammoho and moved yet again, this time to a smaller unit in Europa where he was able to pay a year's rent in advance, before finally settling in BG Alexander's Block C when his circumstances improved.

Now, with even more financial freedom as a result of working at a betting facility close by, Lesolle is living in a studio apartment in the complex, happily forking out his R1 600 in rent.

'Stuck in Hillbrow'

When I ask Lesolle what his current salary is, he offers me a sly smile and changes the subject. I get the sense he is saving huge amounts by choosing to stay in this building. 'For now, it looks like I am stuck in Hillbrow,' he says contentedly, while a World Cup cricket game plays on his flat screen TV. "Maybe when I buy a car I can move out of here."

Lesolle said Hillbrow has come a long way since 2004, when muggings were commonplace. As somebody who works at night he feels much safer these days, thanks in large part to visible patrols by the infamous Bad Boys Security company, whose tough guy image sends chills down many a petty thug's spine.

His aspirations to upward mobility are shared by quite a few of his neighbours, whom Kiro allowed us to meet on another visit.

Mike Nthini (32), an IT consultant, and Ntombi Phiri (27), a presenter for Radio 2000, rent a two-bedroom apartment for R1 700 a month not far from Lesolle's flat. It is much cheaper than their previous place in Florida, they say, which they leased for R3 800 a month.

Their walls, like all others in the building, are framed with aluminium skirting, but theirs have snatches of modest artwork hanging them. The stove of choice is a portable two-plate that sits above a microwave, giving the flat a distinctly temporary quality, as though they could pack up and go at any minute.

Hillbrow represents a necessary downscaling for the couple while they save to buy a house in the northern suburbs, a dream they have given themselves two years to achieve.

"More than anything, what we had doubts about was the location: Hillbrow, Hillbrow Hillbrow," shouts Phiri theatrically.

She confesses that she limits her walks around the neighbourhood to a minimum. Her Blackberry was stolen as she made her way from the taxi rank some time ago, but she seems to be over that. She is more taken by Madulammoho's social engineering.

"They don't just accommodate you, they assist you," she says, beaming. Pointing in different directions, she says: "There is a pastor here if you need him for anything. There is the Windybrow Theatre here and all the residents can go in for free. There is a gym that the ladies have formed for R50 a month."

Many of Madulammoho's buildings are based on an inclusionary housing model. The company claims it caters for a wide-ranging income bracket -- everyone from daily income earners to people earning about R7 500 a month, some of who may have minimal job security.

If a tenant loses a job and doesn't want to move further down the ladder, he or she can be evicted.

France Kekana, a security guard who has been a resident of BG Alexander since 2008, says he has witnessed a huge spike in evictions in the past two years. About 40 residents were shown the door in 2009 and 2010 because they abused the "anti-eviction policy" by defaulting for consecutive months.

In Kekana's view an element of entitlement had crept in among certain individuals. "There were people that were saying that this was a 'government-owned' building, therefore they should be paying a reduced amount," he says.

Ntombi Phiri (27) and Mike Nthini (32), a couple sharing a two-bedroom flat at the housing project, are planning to buy their own home in the near future. (Oupa Nkosi, M&G)

Rent boycott

I managed to slip this question in while Kiro, our omnipresent guide, had dashed down the passage on a quick errand. In his presence all our interviews had been nothing more than stilted pleasantries.

Madulammoho and Joshco confirmed that about 40 residents had been removed from a group of buildings Joshco was developing in Bertrams.

"We agreed [to accommodate them] on the basis that they must pay rent. The tenants were good rent payers for the first year," said Erasmus. "When they understood the city was not moving them back, they staged a rent boycott. After six months of unsuccessfully trying to secure rent from them, we had no choice but to go to court and get eviction orders."

A Joshco employee, Nadima Reynolds, claimed the residents were never given the impression that they would be brought back to redeveloped buildings. "These residents weren't told that they would be moved back, but because that is what they wanted, they went on a rent boycott."

The standoff throws up the all-important questions of affordability and the options available to people who have to vacate buildings that have been earmarked for development.

Joshco, for example, is in a stalemate with the inhabitants of another such building, Vannin Court in Hillbrow. The company maintains that it offered the tenants alternative housing, but the tenants refused, saying the housing was out of their price range and too far away from where they earn their living. But recent court precedents dictate that alternative accommodation in these circumstances has to at least take into account the tenants' financial situation, something that could derail Joshco's development ambitions.

According to Stats SA's 2005-2006 Income and Expenditure Survey, the social housing target market (which is supposed to cater for people earning between R1 500 and R7 500 a month and for whom some sort of subsidy is provided by the government) makes up a whopping 51% of all rental households in South Africa.

Of those who rent, 55% earn less than R3 500 a month, more than 27% of those households earn less than R1 500 a month and 14% earn less than R850 a month.

While the country's social housing policy was set up to tackle those earning at least R1 500 a month, it also aims for mixed-income projects and requires participants to demonstrate a regular income that is able to sustain a monthly rental and the payment of a deposit which is equal to three months rental.

Restructuring

With the country's current unemployment rate, this model can, at best, be seen as a form of restructuring as opposed to a mass delivery tool. The significant spike in demand in the rental market in Johannesburg, Cape Town, Ekurhuleni and Tshwane has been strongest in the lower-income segments.

So, when Erasmus asserts that he is often in direct competition with the slumlords, he is not embellishing the facts. As an NGO, Madulammoho's model is more accommodating of the lower-income bracket but with about 950 rental units its stock is still very limited.

According to the NGO Socio-Economic Rights Institute of South Africa's A Resource Guide to Housing in South Africa 1994 - 2010, a fundamental constraint to the ability of social housing institutions to assist poor individuals and households in accessing affordable and well-located rental housing is that they have tended to look upmarket, hiking up the eligibility cut-off point to break even or make a profit.

At the same time, very little has been done to increase the range of options available to those in the lower bands of the subsidy range.

"Social housing largely benefits middle-income earners," said Kate Tissington, a researcher at the organisation. "The rationale behind it is that to prevent 'downward raiding' [the flocking of people to units allocated for low-income earners] you have to have higher-income facilities available.

"As a model, it is aware that it is not catering to the poor. The city itself does not want to manage housing. It has left it to the private sector, which provides rental options which often exploit the poor. People are desperate and there are very limited alternatives available to them. RDP housing is not the solution, because it cannot be provided at high or medium density, many poor people do not qualify for it and do not, in any case, want to own a house.

"The only real solution for the poor is a public rental housing programme, owned and managed by the city and funded, if necessary, by national government. It cannot be left to the private sector. There is simply no profit in selling housing to people struggling to feed and clothe themselves."

With recent judgments against the city forcing it to provide alternative accommodation when it seeks to evict people and the conditions in these temporary facilities starting to deteriorate, whatever solution is conceived will have to be a creative one -- and one that is careful not to replicate the apartheid city.

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