⚠️ Risk Assessment Overview

1. Financial Risk

- **Cause**: Reliance on Residual Land Value and grant funding.
- **Impact**: If grant funding fails or costs escalate, WCG may need to cover shortfalls.
- **Mitigation**:
    - Maintain a buffer in Residual Land Value.
    - Recommend a flexible social housing proportion (target: 45%) to manage financial exposure.

2. Delivery Risk

- **Cause**: Complexity of phased implementation and dependency on developer performance.
- **Impact**: Delays or failure to deliver social housing and public infrastructure.
- **Mitigation**:
    - Use of **delayed land transfer** until practical completion.
    - Performance-based milestones in the Sale and Development Agreement (SADA).

3. Procurement Risk

- **Cause**: Selection of an unsuitable developer or SHI.
- **Impact**: Misalignment with project goals or regulatory non-compliance.
- **Mitigation**:
    - Competitive bidding process with predefined evaluation criteria.
    - Cabinet approval and WCLAA compliance required for award.

4. Social Impact Risk

- **Cause**: Failure to deliver promised community benefits (e.g., ECD centre, green spaces).
- **Impact**: Reduced public trust and diminished social value.
- **Mitigation**:
    - Integration of social infrastructure into development obligations.

    - Monitoring and enforcement through contractual mechanisms.

5. Environmental & Regulatory Risk

- **Cause**: Non-compliance with zoning, heritage, or environmental regulations.
- **Impact**: Legal delays or project redesign.
- **Mitigation**:
    - Project complies with Cape Town's Municipal Spatial Development Framework.
    - Heritage approvals already secured.