



Project Prefeasibility Report

1. Project Details

Project Name	IAM: Provincial Pavement Testing Laboratory (PPTL)
Location	City of Cape Town
Sector	Economic
Department	Department Of Infrastructure
Project Owner	Lindelwa Mabuntane
Project Manager	Lindelwa Mabuntane

1.1 Background & Justification

BACKGRIOUND

1. The project involves the redevelopment of the PPTL site and the adjacent deproclaimed Buitengracht Road reserve in Cape Town's Prestwich Precinct.
2. The site is part of the Regeneration Programme approved by Cabinet in 2010, which aims to repurpose underutilised public land for inclusive, mixed-use development.
3. The precinct is historically significant and centrally located, making it a strategic area for urban renewal.

JUSTIFICATION

Historical Significance

1. The site includes the heritage-graded Soils Lab building, which will be preserved and repurposed.
2. The development pays tribute to the site's legacy as one of Cape Town's earliest efforts to address urban poverty, dating back to 1898.

Spatial Justice and Inclusion

1. The project supports spatial redress by delivering mixed-income housing in a central urban area.
2. Of the 310 planned residential units, 120 are allocated to affordable and social housing, cross-subsidised by market-rate units.

Strategic Urban Development

1. Aligns with Western Cape Government priorities for sustainable urban growth and optimal use of public assets.
2. Promotes mixed-use development, including limited retail and office space.

Feasibility and Readiness

Informed by comprehensive studies:

1. Spatial and land use analysis
2. Socio-economic analysis
3. Heritage, landscape, and biophysical assessments
4. Civil and transportation services analysis
5. Financial feasibilityStatutory approvals (heritage and land use) are expected by late 2025.

Economic and Social Impact

Expected outcomes include:

- 1. Job creation
- 2. Empowerment
- 3. Revenue generation
- 4. Upgraded public infrastructure

1.2 Project Scope

Site Redevelopment

- 1. Transform the **PPTL site** and adjacent **deproclaimed Buitengracht Road reserve** into a **mixed-use, mixed-income housing development**.
- 2. Total site area: **6,690 m2**.

Residential Development

- 1. Construct approximately **310 housing units**.
- 2. **120 units** allocated to **affordable and/or social housing**.
- 3. Remaining units are **open market**, used to **cross-subsidise** the affordable component.

Heritage Conservation

- 1. Preserve and repurpose the **heritage-graded Soils Lab building**.
- 2. Use for **retail and office activities**.
- 3. Demolition is prohibited due to heritage status.

Commercial and Public Amenities

- 1. Include **limited retail and office space** to stimulate local economic activity.
- 2. Integrate **public infrastructure upgrades** as part of the development.

Feasibility and Planning Studies

Conducted as part of site enablement:

- 1. **Heritage, landscape, and biophysical analysis**
- 2. **Civil and transportation services analysis**
- 3. **Financial feasibility**
- 4. **Spatial and land use analysis**
- 5. **Socio-economic analysis**

Stakeholder Engagement

- 1. Two-phased public and stakeholder consultation process completed.
- 2. Inputs incorporated into the final conceptual development plan.

Regulatory Compliance

- 1. All required **heritage approvals** granted.
- 2. **Land use management application** submitted and under review.

Delivery Mechanism

- 1. Implementation likely via a **Sale and Land Development Agreement (SADA)**.
- 2. Public-private partnerships and alternative funding mechanisms under consideration.

2. Objectives & Key Focus Areas

Objective	Key Focus Area
Mixed-Use and Mixed-Income Development	• Prioritising Infrastructure for Maximum Impact • Innovation & Futures Planning

Objective	Key Focus Area
Spatial Justice and Urban Inclusion	• Prioritising Infrastructure for Maximum Impact • Strengthening Municipal Infrastructure • Innovation & Futures Planning
Heritage Conservation and Adaptive Reuse	• Prioritising Infrastructure for Maximum Impact • Innovation & Futures Planning
Infrastructure Investment and Empowerment	• Prioritising Infrastructure for Maximum Impact • Strengthening Municipal Infrastructure
Sustainable and Resilient Urban Development	• Addressing Climate Change & Sustainability
Regulatory Compliance and Strategic Alignment	• Addressing Climate Change & Sustainability
Consistent Public-Private strategic value for all WC infrastructure stakeholders	• Enhancing Private Sector Partnerships

3. Project Timeline & Cost

Estimated Duration	4 Year(s) & 0 Month(s)
Estimated Start Date	01 Apr 2026
Estimated Cost	R 356M

4. Project Stage-0 Submission & Approval

Submitted By	
Submitted On	
Signed By	
Approved On	

5. Environmental & Social Considerations

5.1 Environmental Considerations

5.2 Social Considerations

- Preservation of cultural heritage sites and artifacts
- Promotion of social equity and fair distribution of development benefits
- Engagement with stakeholders throughout the project lifecycle

6. Regulatory & Environmental Approvals

6.1 National Level

- Environmental Management Frameworks (EMFs): Strategic planning tools for land-use and environmental management decisions

6.2 Provincial and Local Levels

- Municipalities: Play a role in environmental management, especially in land-use planning and development applications

6.3 Other Relevant Entities

- Councils for the Built Environment Professions (CBEP): Regulates professions involved in the built environment
- Regulatory and Environmental Approvals Western Cape Government (WCG) Level The project is aligned with WCG policies promoting: Spatial justice Spatial redress Effective use of public land The site is under the custodianship of the Western Cape Government and the City of Cape Town, which has influenced the planning and stakeholder engagement process. National-Level Approvals National Heritage Resources Act (NHRA), Act 25 of 1999 A Heritage Impact Assessment (HIA) was conducted and approved due to the presence of: Heritage-graded buildings (e.g., the Soils Lab) Former burial grounds City of Cape Town Municipal Planning By-law (2015, as amended) Approvals were sought for: Subdivision Rezoning Consolidation Permanent departure (land use changes) Status of Approvals All required heritage approvals have been granted. Community and stakeholder engagement processes have been completed. The Land Use Management application has been submitted and is pending review by the Municipal Planning Tribunal, expected by late 2025.

7. Identify Key Stakeholders

7.1 Government

- Department Of Infrastructure
- Department of Human Settlements
- Department of Cultural Affairs and Sport
- Department of Environmental Affairs and Development Planning

7.2 State-Owned Entities

- **Development Bank of Southern Africa (DBSA)**
A key player in funding and technical support for public infrastructure projects, including urban regeneration and housing.

7.3 Private Sector

- **Construction Companies**
Developers: To construct mixed-income housing and commercial spaces.
- **Engineering Firms**
Service Providers: For construction, engineering, environmental consulting, and digital infrastructure.
- **Financial Institutions**
Innovative Financing: The project encourages innovative finance options, which may include: Private equity Development finance institutions Real estate investment partnerships Investors: To co-finance the project through structured agreements (e.g., Sale and Land Development Agreement – SADA).

7.4 Civil Society

- **Civil society organizations advocating for community needs**
Community-Based Organizations (CBOs) and Local Residents The project included a two-phase stakeholder engagement process: Phase 1 (October 2023): Focus group meetings with key stakeholders, likely including local community representatives. Phase 2: Public consultation as part of the Heritage Impact Assessment and Land Use Management processes. These engagements allowed civil society actors to: Review development concepts Provide feedback Influence the final design Heritage and Cultural Advocacy Groups Due to the presence of heritage-graded buildings and former burial grounds, it is likely that heritage preservation groups and cultural organizations were consulted or involved. Social Justice and Housing Advocacy Groups The project's emphasis on affordable and social housing, spatial justice, and urban redress suggests alignment with the goals of civil society groups focused on: Housing rights Anti-displacement Inclusive urban development Opportunities for Civil Society Involvement Ongoing monitoring of implementation and social impact Participation in procurement oversight (e.g., gender-responsive procurement) Community benefit agreements or local hiring initiatives

7.5 Other Stakeholders

- **Sustainable Infrastructure Development Symposium - South Africa (SIDSSA)**
The Sustainable Infrastructure Development and Financial Facility (SIDAFF) is a WCG-led initiative designed to: Aggregate municipal infrastructure projects into a bankable portfolio. Blend local and international finance, grants, and donor funding. Support municipal water, wastewater, and potentially housing infrastructure.

- **Private Developer / Ring-Fenced Developer Company Selected through a Request-for-Proposal (RFP)**
Potential State-Owned Entity Stakeholders (Inferred) 1. Human Settlements Development Bank (HSDB) Could be involved in financing the affordable housing component of the project. 2. Infrastructure South Africa (ISA) May support the project as part of the national infrastructure pipeline, especially if it aligns with the National Infrastructure Plan (NIP 2050). 3. South African Heritage Resources Agency (SAHRA) Although not a traditional SOE, SAHRA is a statutory body that may have been involved in the Heritage Impact Assessment (HIA) process under the National Heritage Resources Act. 4. Property Management Trading Entity (PMTE) If national public land or assets are involved, PMTE (under the Department of Public Works and Infrastructure) may play a role in land transfer or asset management.

8. WCG Sector Priorities

Outcomes	Social	Energy & Water	Economic	Technology	Ecological
Households have increased access to basic services and improved shelter		Medium Term 5-15 YRS		Medium Term 5-15 YRS	
Infrastructure investment drives spatial transformation and improves spatial resilience	Medium Term 5-15 YRS		Medium Term 5-15 YRS	Medium Term 5-15 YRS	Medium Term 5-15 YRS
Investment in social infrastructure improves access to health, education, social development, and recreation opportunities	Medium Term 5-15 YRS			Medium Term 5-15 YRS	Medium Term 5-15 YRS
Mobility systems and transportation corridors provide safe and efficient connectivity to opportunities, services, and facilities				Medium Term 5-15 YRS	

9. Infrastructure Type

9.1 Hard

1. Housing Infrastructure

1. **Residential Units:** Approximately 310 units, including:
2. 120 affordable and/or social housing units.
3. Market-rate housing units (used for cross-subsidisation).

2. Transportation Infrastructure

1. **Road Reserve Redevelopment:** The project includes the redevelopment of the deproclaimed Buitengracht Road reserve.
2. **Civil and Transportation Services Analysis:** Indicates planning for road access, traffic flow, and related services.

3. Utility Infrastructure

1. **Civil Services:** Though not detailed, this typically includes:
2. Water supply
3. Sewerage
4. Stormwater drainage
5. Electricity and possibly gas

4. Commercial Infrastructure

1. **Retail and Office Space:** Primarily within the heritage-graded Soils Lab building, which will be conserved and repurposed.

5. Heritage Infrastructure

1. **Soils Lab Building:** A heritage-graded structure to be preserved and integrated into the development.

6. Digital Infrastructure (Planned)

1. Mentioned under **Operations & Maintenance Strategy**:
2. Digital technology leverage
3. Performance monitoring systems

7. Archival Infrastructure (Mentioned in Conclusion)

1. **Provincial Archives Project** (separate but related initiative):
2. Purpose-built archival facility
3. Cold storage
4. High-density shelving
5. Digital infrastructure

9.2 Soft

1. Governance & Policy Infrastructure

1. **Regulatory Frameworks**:
2. National Heritage Resource Act (NHRA)
3. City of Cape Town Municipal Planning By-law
4. **Government Policies**:
5. Spatial justice and redress
6. Good administration
7. Effective use of government immovable assets

2. Social Infrastructure

1. **Affordable and Social Housing**:
2. 120 units dedicated to social/affordable housing
3. **Community Engagement**:
4. Two-phased stakeholder engagement process
5. Public consultation for land use and heritage approvals
6. **Social Impact Considerations**:
7. Gender-responsive procurement
8. Empowerment and job creation

3. Economic Infrastructure

1. **Innovative Financing Mechanisms**:
2. Sale and Land Development Agreement (SADA)
3. Public-private partnerships
4. **Revenue Models & Cost-Benefit Analysis**
5. **Market Demand Analysis**

4. Cultural & Heritage Infrastructure

1. **Heritage Conservation**:
2. Preservation of the Soils Lab building
3. Tribute to historical housing efforts dating back to 1898

5. Institutional Infrastructure

1. **Western Cape Archives and Records Service (WCARS)**:
2. Mentioned in the conclusion as a related strategic infrastructure initiative
3. Includes digital transformation and archival capacity building

6. Environmental & Sustainability Infrastructure

1. **Environmental Compliance**:
2. Sustainability and resource constraints considered
3. **Resilience Planning**:
4. Climate adaptation strategies (planned for operations phase)

7. Digital Infrastructure (Soft Systems)

1. **Digital Technology Leverage**:
2. For performance monitoring and long-term asset management

9.3 Critical

1. Housing Infrastructure

1. **Affordable and Social Housing:** 120 units within a mixed-income development.
2. **Market-rate Housing:** Used to cross-subsidize affordable units, ensuring financial sustainability.

2. Transportation Infrastructure

1. **Redevelopment of Buitengracht Road Reserve:** Enhances connectivity and land use.
2. **Civil and Transportation Services Analysis:** Indicates planning for mobility and access.

3. Utility Infrastructure

1. **Civil Services:** Includes water, sanitation, electricity, and stormwater systems (implied through feasibility studies).

4. Heritage Infrastructure

1. **Soils Lab Building:** A heritage-graded structure preserved for retail and office use, maintaining cultural continuity.

5. Archival Infrastructure(from the conclusion section)

1. **Western Cape Archives and Records Service (WCARS):**
2. Cold storage
3. High-density shelving
4. Digital infrastructure
5. Supports legal compliance, governance, and public access to records

6. Digital Infrastructure

1. **Digital Technology Leverage:** For asset management, performance monitoring, and resilience planning.

7. Environmental Infrastructure

1. **Sustainability and Climate Adaptation:** Integrated into long-term planning and operations.

These infrastructure types are considered **critical** because they:

1. Address housing and urban poverty.
2. Preserve historical and cultural assets.
3. Support public service delivery and governance.
4. Enhance resilience and sustainability in urban environments.

10. Project Stage-1 Submission & Approval

Submitted By	
Submitted On	
Signed By	
Approved On	

11. Geo Location

Geo Location	prestwich
Latitude	-33.914249
Longitude	18.4189589

12. Procurement Planning

• Decentralized Preference Criteria

Procurement Planning (General) Phased Implementation and Procurement Strategy are mentioned under the section: "Phased implementation; Procurement methods; Bidding process; Supplier selection; Risk-sharing mechanisms." However, the specific procurement methods and implementation phase details are still: "To be determined for the

implementation phase.” Decentralised or Inclusive Procurement Indicators Gender-responsive procurement is explicitly mentioned: “Gender-responsive procurement; Social benefits; Sustainability and environmental compliance.” This suggests a preference for inclusive procurement criteria, possibly including: Women-owned businesses Local or community-based suppliers Social enterprises Social Impact and Empowerment Goals The project aims to deliver: Job creation Empowerment Affordable housing These goals often align with decentralised procurement models that prioritize local economic development and community participation. Potential Preference Criteria (Implied) While not explicitly listed, the following preference criteria are likely to be considered based on the document’s values: Local contractor participation Small, Medium and Micro Enterprises (SMMEs) Historically disadvantaged individuals (HDIs) Women and youth-owned businesses Sustainability and environmental compliance

- **Designated Groups**

The project implies inclusion of certain groups through its focus on social impact, gender-responsive procurement, and empowerment. Here are the designated groups that are likely to be prioritized or considered: 1. Women Mentioned directly under gender-responsive procurement. Likely to be prioritized in supplier selection and employment opportunities. 2. Historically Disadvantaged Individuals (HDIs) Implied through references to: Spatial justice Empowerment Affordable housing These terms often align with South Africa’s Broad-Based Black Economic Empowerment (BBBEE) framework. 3. Local Communities The project includes community participation and stakeholder engagement, suggesting preference for local contractors and suppliers. 4. Small, Medium and Micro Enterprises (SMMEs) While not explicitly mentioned, the emphasis on innovative delivery mechanisms and inclusive development suggests potential support for SMMEs. 5. Youth and Unemployed Individuals The project’s goals include job creation, which often targets youth and unemployed persons in urban regeneration initiatives.

- **Broad-Based Black Economic Empowerment (B-BBEE)**

The project strongly align with the principles and objectives of BBBEE, particularly in the context of public infrastructure development in South Africa. Empowerment and Job Creation The project aims to deliver job creation and empowerment, which are core pillars of BBBEE. Affordable and Social Housing Provision of 120 units for social/affordable housing supports inclusive development and addresses historical inequalities. Gender-Responsive Procurement Indicates a commitment to inclusive procurement, likely benefiting women-owned and black-owned enterprises. Community Participation and Stakeholder Engagement The two-phased engagement process reflects a commitment to inclusive decision-making, a key BBBEE principle. Public-Private Partnerships These may include BBBEE-compliant entities, especially if procurement frameworks are aligned with national policy. Spatial Justice and Redress The project supports spatial redress, which is a strategic goal of BBBEE in urban planning and land use.

13. Procurement Action

- **E-Procurement Solution (ePS)**
- **Western Cape Supplier Evidence Bank (WCSEB)**
- **Procurement Planning**
- **Preferential Procurement Regulations (2022)** - Aligned : Yes
- **Sustainable Public Procurement (SPP)** - Aligned : Yes

14. Social Impact

- **Inclusive Economic Participation**
- **Environmental Sustainability**
- **Skills Development and Job Creation**
- **Community Empowerment**
- **Ethical and Transparent Governance**

15. Property Availability

Has the land for the site been identified?: Yes

Remarks: Property Availability Status Site Enablement Process: The project is nearing the end of the site enablement phase, which includes: Heritage approvals (already granted) Land use management consultations (completed) Stakeholder engagement (completed) Development Rights: A basket of development rights is expected to be in place before the end of 2025, allowing interested developers to proceed. Ownership and Control: The site is public land under the custodianship of the Western Cape Government and the City of Cape Town. Physical Status: The area is currently walled, indicating it is secured and not in active use.

16. Project Stage-2 Submission & Approval

Submitted By	
Submitted On	
Signed By	
Approved On	

17. Background & Justification

BACKGRIOUND

- 1. The project involves the redevelopment of the PPTL site and the adjacent deproclaimed Buitengracht Road reserve in Cape Town's Prestwich Precinct.
- 2. The site is part of the Regeneration Programme approved by Cabinet in 2010, which aims to repurpose underutilised public land for inclusive, mixed-use development.
- 3. The precinct is historically significant and centrally located, making it a strategic area for urban renewal.

JUSTIFICATION

Historical Significance

- 1. The site includes the heritage-graded Soils Lab building, which will be preserved and repurposed.
- 2. The development pays tribute to the site's legacy as one of Cape Town's earliest efforts to address urban poverty, dating back to 1898.

Spatial Justice and Inclusion

- 1. The project supports spatial redress by delivering mixed-income housing in a central urban area.
- 2. Of the 310 planned residential units, 120 are allocated to affordable and social housing, cross-subsidised by market-rate units.

Strategic Urban Development

- 1. Aligns with Western Cape Government priorities for sustainable urban growth and optimal use of public assets.
- 2. Promotes mixed-use development, including limited retail and office space.

Feasibility and Readiness

Informed by comprehensive studies:

- 1. Spatial and land use analysis
- 2. Socio-economic analysis
- 3. Heritage, landscape, and biophysical assessments
- 4. Civil and transportation services analysis
- 5. Financial feasibilityStatutory approvals (heritage and land use) are expected by late 2025.

Economic and Social Impact

Expected outcomes include:

- 1. Job creation
- 2. Empowerment
- 3. Revenue generation
- 4. Upgraded public infrastructure

18. Economic and Social Justification

- Job creation
- Inclusive growth
- Reducing inequality

- Improving access

19. Geographic Coverage

19.1 Regions

19.2 Municipalities

District	Municipalities
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19.3 Communities

District	Communities
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20. Sector-specific analysis

• Other Sector Specific Analysis Methods

1. Primary Sector: Urban Development & Housing Mixed-Use, Mixed-Income Housing: 310 residential units planned 120 units allocated to affordable/social housing Market-rate units to cross-subsidize affordability Urban Regeneration: Located in Cape Town's Prestwich Precinct Supports the Regeneration Programme adopted by Cabinet in 2010 Aims to repurpose underutilized municipal land 2. Heritage & Cultural Sector Heritage Conservation: The Soils Lab building is heritage-graded and will be preserved Tribute to historical efforts to house the urban poor (dating back to 1898) Heritage Impact Assessment: Conducted as part of the site enablement process 3. Infrastructure & Civil Services Sector Civil and Transportation Services Analysis: Evaluated to support the development Infrastructure Planning: To be undertaken during the implementation phase 4. Socio-Economic Sector Socio-Economic Analysis: Informs the development concept Focuses on empowerment, job creation, and inclusive growth 5. Private Sector & Investment Public-Private Partnerships (PPPs): Considered as a delivery mechanism Innovative Financing: Includes Sale and Land Development Agreement (SADA) Revenue generation and cost-benefit analysis conducted

21. Approval Bodies

21.1 Provincial Government Departments

- Department Of Infrastructure
- Provincial Treasury
- Department of Premier
- Tourism, Environmental Affairs & Development Planning
- Department of Social Development
- Department of Human Settlements
- Department of Cultural Affairs and Sport
- Department of Environmental Affairs and Development Planning
- Western Cape Government

21.2 Public Entities and Regulatory Bodies

- South African Heritage Resources Agency (SAHRA) / Heritage Western Cape Oversight under the National Heritage Resources Act (NHRA) (Act 25 of 1999) Approved the Heritage Impact Assessment Municipal Planning Tribunal (City of Cape Town) Reviews and approves land use applications Final decision-maker for rezoning, subdivision, and departures City of Cape Town – Land Use Management Department Administers the Municipal Planning By-law (2015, as amended) Responsible for: Subdivision Rezoning Consolidation Permanent departure applications

21.3 Specialized Committees and Boards

- Other Specialised Committees Methods
 1. Heritage Impact Assessment Review Committee Required under the National Heritage Resources Act (NHRA). Likely includes experts from Heritage Western Cape or SAHRA. 2. Western Cape Infrastructure Framework (WCIF) Committees The project references alignment with WCIF 2050 and Panoptic Principles. Suggests involvement of: Panoptic Evaluation Scoring Sessions Infrastructure Planning Bodies under WCIF 3. Public-Private Partnership (PPP) Advisory Committees Since PPPs are considered as a delivery mechanism, advisory or steering committees may be formed to evaluate and manage partnerships. 4. Special Projects Oversight Board (Internal to WCG) The Department of Infrastructure – Special Projects likely has internal governance structures or boards overseeing strategic projects like this one.

22. Environmental Considerations

23. Social Considerations

23.1 Department of Social Development Policies

- Promotes community-based care and support systems

23.2 Inclusive Economic Development

- Supports SMMEs, women- and youth-owned enterprises
- Encourages job creation through public procurement and infrastructure projects

23.3 Public Participation and Equity

- Ensures community involvement in planning and decision-making
- Promotes equitable access to services and opportunities

23.4 Expanded Public Works Programme (EPWP)

- Provides short-term employment and skills development

24. Investment Needs

24.1 Infrastructure Development

- Upgrades to water and sanitation infrastructure.
- Renewable energy installations and grid improvements.
- Roads, bridges, and public transport systems.

24.2 Human Settlements

- Affordable housing projects.
- Mixed-use urban development.

24.3 Healthcare

- Digital health systems and telemedicine.
- Expansion and modernization of clinics and hospitals.

24.4 Agriculture and Agri-processing

- Agro-logistics and cold chain infrastructure.

24.5 Green Economy

- Renewable energy (solar, wind, bioenergy).
- Waste-to-energy and recycling initiatives.
- Water conservation and efficiency technologies.

24.6 Tourism and Cultural Investment

- Infrastructure for eco-tourism and heritage sites.

25. Policy Incentives

25.1 Sector-Focused Incentives

- Agri-processing: Support for infrastructure, logistics, and export readiness.
- Green Economy: Incentives for renewable energy, water efficiency, and waste-to-energy projects.
- Technology and Innovation: Support for ICT hubs, fintech, and digital startups.
- Tourism and Film: Rebates and grants for film production and tourism infrastructure.

25.2 Investment Ecosystem Support

- Municipal Investment Readiness Programme: Helps municipalities prepare for and attract investment.
- Sector IQ: Provides data-driven insights to guide investment decisions.

25.3 Business Support and Facilitation

- Regulatory guidance
- Market intelligence
- Access to government incentives
- Investment Summits: Hosted by the Premier to connect investors with opportunities and funding partners

26. Scale And Complexity

26.1 Total Addressable Market (TAM)

26.2 Served Available Market (SAM)

26.3 Demand Forecasting

26.4 Size

Project Type	New Project
Project Size	Large - Total of 30 Mill or more

27. Challenges

27.1 Financial Complexity

1. Unspecified Total Project Cost

1. The prospectus does **not provide a definitive cost estimate**.
2. Financial feasibility studies have been conducted, but final figures are pending.

2. Mixed-Income Housing Model

1. The project includes:
2. **120 affordable/social housing units**
3. **190 market-rate units** to cross-subsidize affordability
4. This model requires careful financial balancing to ensure sustainability.

3. Innovative Financing Mechanisms

1. Potential use of a **Sale and Land Development Agreement (SADA)**
2. Consideration of **public-private partnerships (PPPs)**
3. Exploration of **alternative funding sources**, which adds complexity in structuring and risk-sharing

4. Revenue Model Uncertainty

1. Revenue generation strategies are still under development.
2. Must account for:
3. Market demand
4. Affordability constraints
5. Long-term asset management

5. Risk of Funding Shortfalls

1. Specific concern around:

2. **Affordable housing component**
3. **Market appetite**
4. **Unlawful occupation risks**, which could affect investor confidence

6. Regulatory and Approval Dependencies

1. Financial planning is contingent on:
2. Finalisation of development rights
3. Approval of land use changes
4. Heritage compliance

27.2 Operational Complexity

1. Mixed-Use and Mixed-Income Model

1. The development includes:
2. Affordable/social housing
3. Market-rate housing
4. Retail and office space
5. Requires **differentiated management strategies** for each component.

2. Heritage Building Integration

1. The **Soils Lab building** must be preserved and repurposed.
2. Ongoing maintenance and compliance with heritage regulations will be required.

3. Stakeholder Coordination

1. Involves multiple public entities:
2. Western Cape Government
3. City of Cape Town
4. Heritage authorities
5. Requires **inter-agency coordination** and community engagement continuity.

4. Infrastructure and Service Delivery

1. Civil and transportation services must be integrated.
2. Long-term **utility management** and **public infrastructure upkeep** will be essential.

5. Security and Site Management

1. The site is currently walled, indicating potential concerns around:
2. **Unlawful occupation**
3. **Access control**
4. **Safety during construction and post-development**

6. Digital and Performance Monitoring

1. Plans to leverage **digital technology** for:
2. Asset management
3. Performance tracking
4. Climate resilience and adaptation

7. Sustainability and Environmental Compliance

1. Development must align with:
2. Resource constraints
3. Environmental regulations
4. Climate adaptation strategies

8. Operations & Maintenance Strategy

1. Still to be determined, but will need to address:
2. Long-term upkeep
3. Financial sustainability
4. Governance and oversight

27.3 Technical challenges

1. Heritage Constraints

1. The site includes the **heritage-graded Soils Lab building**, which:
2. Cannot be demolished
3. Must be repurposed sensitively for retail and office use
4. Requires compliance with the **National Heritage Resources Act (NHRA)**

2. Land Use and Planning Complexity

1. The site includes **deproclaimed road reserve land**
2. Requires:
3. Subdivision
4. Rezoning
5. Consolidation
6. Permanent departure approvals under the **Municipal Planning By-law**

3. Burial Ground History

1. The land was formerly used as **burial grounds**, which:
2. Adds complexity to stakeholder engagement
3. Requires careful handling of cultural and historical sensitivities

4. Infrastructure Enablement

1. Civil and transportation services need upgrading or integration
2. Infrastructure planning is deferred to the **implementation phase**

5. Site Size Limitations

- 1. The site is relatively small (6,690 m²), limiting:
- 2. Housing density
- 3. Commercial space
- 4. Flexibility in design and layout

6. Environmental and Sustainability Compliance

- 1. Development must consider:
- 2. Resource constraints
- 3. Climate adaptation
- 4. Long-term resilience

7. Market and Funding Risks

- 1. Potential lack of market appetite
- 2. Uncertainty around funding for the affordable housing component
- 3. Risk of **unlawful occupation** due to the site's current unused status

28. Phases

29. Project Stage-3 Submission & Approval

Submitted By	
Submitted On	
Signed By	
Approved On	