



MEGAN PANGENI

Head: Street People Programme

T: 021 444 5926

E: Megan.Pangeni@capetown.gov.za

MEMORANDUM

DATE : 14 January 2026
TO : DIRECTOR : PROPERTY TRANSACTIONS
ATTENTION : [REDACTED]

AUTHORISATION TO INITIATE THE TRANSACTION, APPROVE THE PUBLIC PARTICIPATION PROCESS AND TO APPROVE IN-PRINCIPLE THE GRANTING OF RIGHTS TO USE, CONTROL OR MANAGE CAPITAL ASSET

Transaction:

Property 1: Culemborg Shelter 1

Property description:	Erf 192, Cape Town
Physical address:	14 Walter Sisulu Street, Cape Town
Extent:	1837 m ²
Zoning:	TR2 with temporary departure to operate a safe space for 5 years
Current Use:	Night Shelter
Proposed Use:	Night Shelter
Applicant:	CSH: Community, Arts and Culture Development
Lease Term:	10 years
Rental and commencement date, if applicable:	R1 195.00 1 July 2026
Escalation and date, if applicable	N/A
Value of asset:	< R10m ☒ > R10m ☐
Conditions imposed by Valuation Section, if applicable:	N/A

Property 2: Culemborg Shelter 2

Property description:	Erf 192, Cape Town
Physical address:	Old Marine Drive, Foreshore Cape Town
Extent:	6000 m ²
Zoning:	TR2 with temporary departure to operate a safe space for 5 years
Current Use:	Night Shelter
Proposed Use:	Night Shelter
Applicant:	CSH: Community, Arts and Culture Development
Lease Term:	10 years
Rental and commencement date, if applicable:	R1 195.00 1 July 2026
Escalation and date, if applicable	N/A
Value of asset:	< R10m ☒ > R10m ☐

Conditions imposed by Valuation Section, if applicable:	N/A
---	-----

Property 3: Ebenzer Shelter

Property description:	Erf 2189
Physical address:	54 SOMERSET ROAD, GREEN POINT
Extent:	1880 m ²
Zoning:	TR2 with temporary departure to operate a safe space for 5 years
Current Use:	Night Shelter
Proposed Use:	Night Shelter
Applicant:	CSH: Community, Arts and Culture Development
Lease Term:	10 years
Rental and commencement date, if applicable:	R1 195.00 1 July 2026
Escalation and date, if applicable	N/A
Value of asset:	< R10m ☒ > R10m ☐
Conditions imposed by Valuation Section, if applicable:	N/A

Property 4: Belville Shelter

Property description:	ERF 26364
Physical address:	12 Robert Sobukwe Rd, Bellville,
Extent:	1910 m ²
Zoning:	GB5
Current Use:	Night Shelter
Proposed Use:	Night Shelter
Applicant:	CSH: Community, Arts and Culture Development
Lease Term:	10 years
Rental and commencement date, if applicable:	R1 195.00 1 July 2026
Escalation and date, if applicable	N/A
Value of asset:	< R10m ☒ > R10m ☐
Conditions imposed by Valuation Section, if applicable:	N/A

1 DELEGATED POWERS

In terms of the provisions of the Municipal Asset Transfer Regulations issued in terms of the Local Government Municipal Finance Management Act in Government Gazette No. 31346 dated 22 August 2008 read with the approved City's System of Delegations and Sub-delegation Part 32B:1(5), Part 28:18(4)

To authorise the public participation process, **including the form of public participation**, for the granting of rights to use, control or manage capital assets for the following categories listed:

- (i) capital assets less than R10 million, longer than 3 years
- (ii) capital assets more than R10 million, not longer than 3 years
- (iii) capital assets less than R10 million, not longer than 3 years

2 BACKGROUND

The City of Cape Town continues to experience sustained pressure related to rough sleeping. In response, the City has implemented a range of interventions aimed at providing safe, dignified accommodation and access to reintegration and support services for people sleeping rough.

As part of this response, the City operates a network of Safe Space shelter facilities on City-owned properties. These facilities play an important role in addressing humanitarian needs while also supporting broader urban management objectives, including improved safety, cleanliness, and the responsible use of public spaces.

The Community, Arts and Culture Development (CACD) Department is in the process of transitioning the operational model for these facilities to a Grant-in-Sponsorship (GIS) funding approach. This model enables experienced non-profit organisations to operate shelter services, supported through grant funding, while the City retains ownership of the properties. NGO's appointed through this process are required to enter into Facility Management Lease Agreements (FMLAs) with the City in order to lawfully occupy and manage the facilities.

An open call business proposals was advertised from 1 November to 1 December 2025. Following the adjudication process, The Haven Night Shelter was found to be responsive and suitable to operate the shelter services.

At present, the properties listed below are not leased to any organisation due to the current operational funding model. CACD therefore intends to initiate a process to conclude new Facility Management Lease Agreements with The Haven Night Shelter for the following City-owned sites by end May 2026:

- **Culemborg Shelter 1** – Erf 192, 14 Walter Sisulu Street, Cape Town
- **Culemborg Shelter 2** – Erf 192, Old Marine Drive, Foreshore, Cape Town
- **Ebenezer Shelter** – Erf 2189, 54 Somerset Road, Green Point
- **Bellville Shelter** – Erf 26364, 12 Robert Sobukwe Road, Bellville

The proposed leases will incorporate operational provisions to strengthen collaboration between CACD and The Haven Night Shelter and to ensure appropriate management, maintenance, and compliance at each facility.

In accordance with the Municipal Finance Management Act, CACD will follow the required open public participation process prior to entering into the Facility Management Lease Agreements.

CALL FOR ALTERNATIVES

In order to comply with the competitive requirement of the MATR, the advert will include a call for alternatives, including the following:

- 2.1 The call for alternatives will not be limited to a single pre-identified bidder. It will enable multiple bidders to submit a proposal.

- 2.2 The decision making authority evaluating the proposals should do so against the following criteria:
- 2.2.1 Operate a shelter for rough sleepers by providing accommodation, meals and social care services.
 - 2.2.2 To develop a personal developmental plan (PDP) for each of the residents within 72 hours of admission to the shelter.
 - 2.2.3 Provide developmental programmes to rough sleepers accommodated at the shelter.
 - 2.2.4 To develop and implement an exit strategy for residents at the shelter.
 - 2.2.5 To assist with reintegration and relocation of former rough sleepers

3 APPLICABLE LEGISLATION AND POLICY

- 3.1 Chapter C of Council's policy relating to the Management of Certain of the City of Cape Town's Immovable Property (MC 54/08/10), permits the granting of property rights;
- 3.2 Regulation 34 (3) (b) of the MATR states that Council must when considering a request to authorise a public participation process in respect of any proposed granting of a right to use, control or manage a capital asset, in terms of regulation 34 (1) (b) of the MATR must be take into account:

3.2.1 **The reason for the proposal to grant a long-term right to use, control or manage the relevant asset:**

There are approximately 6600 rough sleepers living on the streets in Cape Town, with just over 2000 bed spaces in registered shelters in Cape Town which are currently over populated this leaves little option for shelter who accommodates rough sleepers.

The intention is to provide a shelter space to assist rough sleepers in Cape Town, coupled with access to a secure space to sleep, to access social services and life skills / work opportunity programmes, operated by a specialist in the street people sector.

3.2.2 **Any expected benefit to the municipality that may result from the granting of the right:**

An experienced NGO operating shelters and providing specialist services to people sleeping rough.

3.2.3 **Any expected proceeds to be received by the Municipality resulting from the granting of the right:**

Council will receive a financial benefit in the form of a tariff based consideration annually. The facility will pay a consideration equal to the tariff rental for social facilities of R1 195.00 per annum excl. VAT. This nominal consideration equal to the tariff rental for social facilities will be subject to increase in accordance with the City's tariff structure as approved by Council and as may be amended from time to time.

3.2.4 **Any expected gain or loss that will be realised or incurred by the Municipality arising from the granting of right.**

No loss will be incurred by the City arising from the granting of right.

- 3.3 In terms of Reg. 36 of the Municipal Asset Transfer Regulations (R.878) (MATR), Council must, when considering approval for the granting of a right to use, control or manage a capital asset, take the following factors into account:

3.3.1 **Whether the capital asset may be required for the municipality's own use during the period for which the right is to be granted;**

The Council's service branches have confirmed that the property will not be required for the municipality's own use during the period for which the right is to be granted.

3.3.2 **The extent to which any compensation to be received for the right together with the estimated value of any improvements or enhancements to the capital asset that the private sector party or organ of state to whom the right is granted will be required to make, will result in a significant economic or financial benefit to the municipality;**

Council will not make a loss, but will gain a financial benefit in the form of tariff rental, future rates and taxes and upgrading of a Council asset.

This rental is valid for a proposed 10 year lease, will increase in accordance with the annual tariff structure, as approved by Council

3.3.3 **The risks and rewards associated with the use, control or management of the capital asset in relation to the municipality's interests;**

It is expected that the security of tenure will lead to an upgrade of the site. The lessee will be responsible for the upkeep and maintenance of the property to the satisfaction of the City;

3.3.4 **Any comments or representations on the proposed granting of the right received from the local community and other interested persons;**

Due to the nature of the application, in-principle approval is recommended despite the fact that the public participation process has not been concluded. Should any comments/objections be received, they will be considered by the decision making authority when the report to Subcouncil is submitted.

3.3.5 **Any written views and recommendations on the proposed granting of the right by the National Treasury and the relevant Provincial Treasury;**

Due to the nature of the application, in-principle approval is recommended despite the fact that the public participation process has not been concluded. Should any comments/objections be received, they will be considered by the decision making authority when the report to Subcouncil is submitted.

3.3.6 The interests of any affected organ of state, the municipality's own strategic, legal and economic interests and the interests of the local community;

None of these interests will be compromised through the granting of the right to use, control or manage the asset.

3.3.7 Compliance with the legislative regime applicable to the proposed granting of the right;

Granting the right to use, control or manage the asset is compliant with the Municipal Asset Transfer Regulations, R.878, promulgated on 22 August 2008 and Council's Policy on the Management of Certain of the City of Cape Town's Immovable Property (2010).

4 RECOMMENDATION

It is recommended that approval be granted to initiate the transaction, authorise the public participation process and approve in-principle the granting of rights to use, control or manage this capital asset for the above mentioned transaction.

5 ANNEXURES

Annexure A

Sketch Plan



Culemborg 1.pdf



Culemborg 2
locality map.docx



Ebenezer locality
plan.pdf



Paint City locality
plan.docx

RECOMMENDED

Item	Decision Maker	Approver	Approval	Approval	Approver Comments
1					
2					