Cape Town: Residents of informal settlements fear housing scheme was a scam

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Hundreds of informal settlement residents and backyard dwellers who paid R3 650 each to secure land upon which they could build are frustrated that years later, they have yet to see anything happen.

Although various savings groups established in Doornbach, Thembeni and Joe Slovo informal settlements, as well as Joe Slovo backyard dwellers, started paying their contributions up to four years ago, nothing has come of the plan formulated by the SA Homeless People's Federation (SAHPF) to purchase land and apply for state subsidies to build the much needed homes.

Now angry contributors are demanding their money back.

Speaking on Tuesday, Joe Slovo informal settlement residents and backyard dwellers who had formed the Lavelilanga Housing group said they felt cheated by the SAHPF.

They said the federation had recruited community leaders and asked them to form housing savings groups whose members were required to pay R3 650 each for the purchase of land.

Zusakhe Siphendu, 31, who has lived in a one roomed backyard shack with her two children in Joe Slovo Park for seven years, said they were promised they would move into their new houses in June last year.

Siphendu made her payment in June 2010.

Like many fellow residents, she had borrowed the money from loan sharks or applied for personal loans from the bank in order to secure their place in the housing scheme.

Contributor Nomfusi Didi, 31, said calls had been made to the SAHPF representative asking for an explanation but the Lavelilanga savings group had never been addressed.

Joe Slovo community leader Zanele Lusitha said she was approached by the SAHPF in 2008 and asked to establish the housing savings groups in Du Noon, Joe Slovo and Doornbach.

Lusitha said she had seen other projects the SAHPF had successfully undertaken and believed it was a solid organisation. She herself had paid over the requested R3 650.

But now, she was also angry and upset at the fact that nothing was happening and was being accused by residents of enticing them to pay money to the SAHPF.

She said residents were shown plans of houses to be built that included two bedrooms, bathroom, lounge and a furnished kitchen.

She said about 160 residents in Joe Slovo Park and 120 people in Du Noon had paid money to the SAHPF, but she did not know how many people from Doornbach informal settlement were involved.

SAHPF leader Patricia Matholengwe admitted that housing saving groups had paid money into the organisation's account.

Matholengwe said her organisation had paid "close to a half a million" to purchase a 140 ha piece of land situated in Atlantis in 2009, from which 1 600 contributors were to benefit.

However, she said they then found out that the investment company who claimed to own the land, and whom they had paid money to, were only partial owners.

Legal advice was sought and a case had subsequently been opened.

Matholengwe said her lawyers were in the process of claiming the money back and the housing saving groups had been informed of the situation.

She said she had all documents to support the organisation's transactions and was doing all she could to sort the situation out.

She was unable to say if the SAHPF would be able to reimburse money to savings group members who felt cheated.

City Mayoral Committee Member for Human Settlements, Ernest Sonnenberg, said the City had not partnership with the SAHPF and advised residents "who have allegedly contributed financially" to lay charges with the South African Police Service (SAPS).

Sonnenberg said the City appreciated that people were trying to uplift themselves and the City encouraged it, but wished to remind residents to always check the credibility and legitimacy of an organisation, and whether the organisation was supported by the City of Cape Town. **— Peter Luhanga**