

# AFFORDABLE RENTAL HOUSING STRATEGY AND PLAN

**"Creating inclusive urban environs in Stellenbosch through Affordable Rental Housing."**



# ACKNOWLEDGEMENTS

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# A: INTRODUCTION AND DEFINITIONS

## 1. INTRODUCTION & BACKGROUND

The Stellenbosch Municipality has identified the need for the provision of affordable rental housing for the low to middle income earners within the Municipality. It further identifies the need to restructure the urban fabric of the town to address issues of segregation, inefficiency and distortion, sprawl, access of the poor to town amenities, and ultimately to develop the town to become inclusive of all the inhabitants of the town, both wealthy and poor. Currently the settlement structure is such that the poorest people are living furthest from employment in former satellite townships. It is estimated that more than 50% of people who work in Stellenbosch town, reside outside of the town. This phenomenon of poor location, exclusion and segregation means that these households must spend a disproportionate amount of time accessing job opportunities and the other socio- economic resources of the town. This comes at a financial cost and opportunity cost to households in these poorer communities.

The Western Cape Department of Human Settlements (WCDohS) developed a rental housing strategy, which identified the need for affordable rental housing within the leader towns in the Western Cape. It has committed to support the 10 lead towns (now 12) in their efforts to provide sustainable housing and to develop a rental housing strategy and implementation plan for the coming 10 years.

To this end The WCDohS in partnership with the Social Housing Regulatory authority (SHRA) appointed Alcarl Consulting to assist these municipalities to develop implementable 5 year strategy plans for 'Government Assisted Rental Housing' (GARH) in their areas. In addition, the consultants would assist the municipalities in the preparation of their Restructuring Zone application for approval. The latter is a requirement for accessing government financing for Social Housing.

The Stellenbosch Municipality is one of the 10 leader towns in the WC and this is the developed 'Government Assisted' Rental Housing Strategy (GARH) for the municipality for the year period 2016 – 2020. It builds on substantial work already done within the municipality's Spatial Development Plan (SDF), its Integrated Development Plan (IDP), its Draft Integrated Zoning Scheme, the Shaping Stellenbosch campaign, Integrated and non-motorised transport policies, and its Human Settlements Plan (HSP), and in the context of these gives specific focus to 'the policy and procedures' of the national Social Housing (SH) and Community Residential Unit (CRU) programmes.

## 2. APPROACH TO THE DEVELOPMENT OF THE STRATEGY

The approach followed the below process:

Step 1: Desktop analysis of the municipalities IDP, SDP and other prepared documents.

Step 2: Workshop for key officials to use the desktop and other information to provide the information for a Strategy framework with particular emphasis on key opportunities and constraints linked to:

- Real Demand
- Available Financing
- Available Land and Buildings
- Institutional Readiness

Step 3: Preparation of a Draft Strategy Plan

Step 4: Visit to Municipality to support officials with the finalizing of plan and presentation to Council.

The strategy for Stellenbosch will also provide content for a broader Provincial strategy to provide for budgeting and other support initiatives from the Province.

### 3. WHAT IS 'GOVERNMENT ASSISTED RENTAL' IN SOUTH AFRICA

The strategy deals specifically with the 'government assisted' formal rental programmes of CRU and Social Housing. This refers to rental stock where government provides a subsidy in order to achieve affordable rentals for households on low and moderate incomes in attempt to deal with market failure.

#### **DOES THIS STRATEGY INCLUDE BACK YARD RENTAL?**

While national government is presently engaged in developing policy framework for dealing with informal rental, especially backyard rentals. There is presently no defined programme involving government investment instruments. Where municipalities are undertaking interventions it is usually to ensure enhanced basic infrastructure provision to cater for increased demand and usage of utilities. There are presently no other financing or programme intervention in this part of the sector. Although it is an important provider of housing, it is not part of the formal sector and does not form part of the strategy.

The Table below outlines the key elements of the SH and CRU programmes as well as the Institutional Subsidy mechanism that is used in conjunction with Social Housing programme but in a very limited number of instances has solely funded rental options most often without great sustainability.

#### **INFORMATION BOX**

##### **REAL AFFORDABILITY CRITERIA FOR GOVERNMENT ASSISTED RENTAL HOUSING**

It is important to understand that the government assisted formal rental housing programmes are financed through capital subsidy and there is no formal subsidy on operational costs. This means that tenants occupying these units must be both able and willing to pay rents.

Since rents are set least to cover the costs of the management and administration of the stock (CRU) programme it is difficult to set rentals lower than R950 at 2015 costs. For Social Housing higher rentals are needed as only part of the capital costs and none of the operational costs are subsidized.

It is therefore important to realize that this rental housing stock is only suitable for households who have permanent monthly incomes; whose incomes are at least 3 times higher than the rental charged; who are not encumbered with other debts that affect their ability to afford rentals; and are willing to pay the rental.

**TABLE 1: NATIONAL PROGRAMMES FOR FORMAL RENTAL**

ASPECT	SOCIAL HOUSING	INSTITUTIONAL SUBSIDY	CRU
<b>Tenure</b>	<ul style="list-style-type: none"> <li>Rental</li> <li>Co-operative ownership</li> </ul>	<ul style="list-style-type: none"> <li>Rent for minimum 4 years</li> <li>Co-operative ownership</li> </ul>	<ul style="list-style-type: none"> <li>Rent in perpetuity</li> </ul>
<b>Target market</b>	<ul style="list-style-type: none"> <li>Primary: R1500-R3500</li> <li>Secondary: R3501-R7500</li> </ul>	<ul style="list-style-type: none"> <li>Below R3500</li> </ul>	<ul style="list-style-type: none"> <li>R800-R3500</li> </ul>
<b>Land owner</b>	<ul style="list-style-type: none"> <li>SHI (also lease)</li> </ul>	SHI (also lease)	<ul style="list-style-type: none"> <li>Municipality or province, preferably municipality (also prov owned stock should be devolved to muni)</li> </ul>
<b>Management</b>	<ul style="list-style-type: none"> <li>SHI – can also outsource to private but not preferred</li> </ul>	SHI - can also outsource to private, but not preferred	<ul style="list-style-type: none"> <li>Municipality or province – can outsource to SHI, ME or private</li> </ul>
<b>Location</b>	<ul style="list-style-type: none"> <li>RZ (restruct goals)</li> <li>Mega-project</li> </ul>	<ul style="list-style-type: none"> <li>Access and opportunity for the poor</li> </ul>	<ul style="list-style-type: none"> <li>Access and opportunity for poor</li> </ul>
<b>Product</b>	<ul style="list-style-type: none"> <li>Minimum 30m<sup>2</sup> Self contained</li> <li>Minimum spec</li> <li>Medium density</li> <li>New, refurbishment, conversion</li> </ul>	<ul style="list-style-type: none"> <li>Minimum 30m<sup>2</sup> Self contained</li> <li>Minimum spec</li> <li>Medium density</li> <li>New, refurbishment, conversion</li> </ul>	<ul style="list-style-type: none"> <li>No minimum size, but good living environment should be provided</li> <li>Rooms with shared facilities allowed, but no old-style dormitories</li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li>RCG</li> <li>Provincial top-up</li> <li>Loan</li> <li>Donors and Equity?</li> </ul>	<ul style="list-style-type: none"> <li>Institutional subsidy</li> <li>Loan</li> <li>Donors and equity?</li> </ul>	<ul style="list-style-type: none"> <li>100% Capital grant</li> </ul>
<b>Rental income must cover</b>	<ul style="list-style-type: none"> <li>Direct operating cost recovery</li> <li>Overhead cost recovery</li> <li>Loan repayments</li> <li>Surplus for reserves</li> </ul>	<ul style="list-style-type: none"> <li>Direct operating cost recovery</li> <li>Overhead cost recovery</li> <li>Loan repayments</li> <li>Surplus for reserves</li> </ul>	<ul style="list-style-type: none"> <li>Direct operating cost recovery</li> <li>Discounts and premiums</li> <li>Rent relief and indigent support</li> </ul>

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## B: MUNICIPALITY OVERVIEW

### 4. LOCATION AND SIZE

Stellenbosch Municipality falls within the Cape Winelands District and includes the towns of Stellenbosch, Franschhoek and Pniel and the surrounding rural areas. It covers an area of 831 km<sup>2</sup>. According to Census 2011, Stellenbosch has a population of 155 733 (43 420 households), growing from 118 709 in 2001 at an 2.7% annual growth rate.

This municipality is bordered by Drakenstein Local Municipality (north), Breede Valley Local Municipality (north-east), Theewaterskloof Local Municipality and Overberg District Municipality (southeast). It is only 50km from the CBD of the City of Cape Town, close to the Cape Town International airport, and well-connected to both locations by the N1 in the north and the N2 in the south.

The municipal area is internationally renowned for its beautiful environment, wine farms, street cafes, restaurants, quality wines, historical buildings and excellent educational institutions and health facilities. A major portion of the area is utilised for agriculture (mainly wine production). Stellenbosch town is after Cape Town, the oldest town in South Africa. Financial and business services are the largest contributor to the local economy, and together with manufacturing account for over half the economic value created in the municipality. It has contributed 17% to GDP cumulative growth from 2000 to 2013, the largest in the Province after Cape Town metro. In the category small cities it has the largest concentration of headquarters of JSE-listed companies. Stellenbosch is an identified leader town in the Western Cape, the main urban centre in the municipality, and the regional commercial and services hub.

This strategy concentrates specifically on the town of Stellenbosch, which has existing well developed urban areas and with already developed existing residential opportunities and strong linkage to internal and regional public transport routes.

### 5. DEMOGRAPHICS

Stellenbosch main place (MP) is the leader town of the Stellenbosch Local Municipality. According to Census 2011, Stellenbosch local municipality (LM) has a total population of 155 733, growing from 117 715 in 2001. The total population in the Municipality is expected to grow to 230,033 which represents a compound annual growth rate of 1.4% from 2011 to 2040. The figures that the age profile is expected to change over time; the young adult population remains significant due to the student population at Stellenbosch University

In Stellenbosch LM, in nominal terms, 53% of households in 2011 earn less than R3 201 per month; in 2001 that figure was 57%. The wide income bands provided in the Census data prevent an accurate indication of a change in real terms. Nevertheless, it appears that in 2001 35% of households earned less than R3 488 in 2015 Rands, while in 2011 53% of households earned less than R3 965 in 2015 Rands

In Stellenbosch MP, in nominal terms, 53% of households in 2011 earn less than R3 201 per month; in 2001 that figure was 57%. The wide income bands provided in the Census data prevent an accurate indication of a change in real terms. Nevertheless, it appears that in 2001 46% of households earned less than R3 488 in 2015 Rands, while in 2011 53% of households earned less than R3 965 in 2015 Rands

Trended data from Quantec indicates a steady increase in jobs in recent years. It appears that since 2000, informal sector employment has grown noticeably, accounting for 17% of total employment in 2000 compared to 25% in 2013. The number of semi-skilled and unskilled workers in formal employment have declined noticeably, accounting for 45% of total employment in 2000 compared to 32% in 2013. The agriculture

industry has seen the most dramatic decline; 21% of workers in 2000 were employed in agriculture, decreasing to 9% in 2013

## 6. ECONOMY

Trended data is available from Quantec, an economic consultancy, on the economic and employment profile of the Municipality. In 2013, Stellenbosch Municipality contributed 3.8% of the Gross Value Added (GVA) in the Western Cape Province\*. Finance, insurance and business services as well as manufacturing are the largest contributors to GVA in the Municipality

Trended data for the Municipality reveals a steady increase in GVA between 2000 and 2013 except for a dramatic dip in 2009, where there was negative growth

Stellenbosch serves as the service centre for the region, with well-developed manufacturing and commercial sectors complemented by community, financial, social, personal and professional services. Other significant contributors to the economy are agriculture, forestry, and hospitality and tourism. All in all, a diversified and mature economy, with potential for future growth and employment.

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## C: RENTAL HOUSING STRATEGIC FRAMEWORK

The Municipal Housing Strategy defines the intent of the housing strategy in Stellenbosch:

The aim of the Stellenbosch Human Settlements Programme is to enhance settlement integration and to respond to demand over a wide spectrum of incomes. The purpose is to create opportunities for quality housing and varying housing options, in appropriate locations. A part of this is the intent to provide rental housing options in well located areas to provide low and moderate income households with the opportunities to access the socio economic resources of Stellenbosch and Stellenbosch town and reduce their transactional costs e.g. transport in doing so. This requires a strong linkage with the municipality's spatial development framework and their transport plans. This strategy builds on the principles of compact urban settlements close to economic and social amenities.

A coherent strategy on the government-assisted rental housing strategy requires a proper analysis of the constraints and opportunities and the consequences of these related to the 4 key areas of risk in developing this strategy:

- Real demand
- Availability of Suitable Land and Buildings
- Financing
- Organisational Capacity

### 7. REAL DEMAND

It is very difficult to use census and other available figures to develop an assessment of the 'real demand' for government assisted rental housing. The census and other data indicate a general need but is not specific enough to understand whether households in particular income groups, who are inadequately housed, would choose formal rental over other options including informal rental.

This problem with the statistics means that it is only possible to define a continuum of possible demand. To test the 'real demand' requires the practical delivery of actual projects to cover the lowest number in the continuum and then allow the response to these to indicate further assessment of the real demand.

#### 7.1 CENSUS

The Census 2011 Municipal report for the Western Cape indicates that Stellenbosch has a total household number of 43 420, of which 13 036 (30%) are renting. This percentage has remained the same since 2001. According to the report, 28% of Stellenbosch's population earns an income which will qualify them for low cost and gap housing and 53% of the population in this income bracket is located in the outer areas of Stellenbosch. The data for Stellenbosch LM indicates the proportion of households that rent their primary dwellings has remained at 30% between 2001 and 2011. In Stellenbosch main place (MP) the majority of households rent their primary dwellings, and in terms of absolute numbers the market has increased from 8,581 households in 2001 to 13,036 households in 2011.

In Stellenbosch LM, there has been an increase in the proportion of single person households which have increased from 19% of the total in 2001 to 24% in 2011. In Stellenbosch MP in 2011, 49% of all households are single-person households. Average household size in Stellenbosch MP in 2011 is significantly smaller than the Municipality



In Stellenbosch LM single-person households are more likely to rent; 43% of all single-person households in 2011 rent their primary dwelling (compared to 30% for the Municipality as a whole). In Stellenbosch MP single-person households are significantly more likely to rent; 82% of all single-person households in 2011 rent their primary dwelling (compared to 69% for the region as a whole)

*This would provide an indication that the affordable rental housing should consist of a mix of bachelor, 1 and 2 bedroom units with larger numbers of smaller units*

The propensity to rent in Stellenbosch LM appears to be lowest for those earning between R992 and R1 982 per month, with 21% who rent their primary dwellings. In the case of Stellenbosch MP rental propensity is significant across all income groups, with the exception of those who earn R15 857 or more per month. The data indicates that the majority of rental stock is comprised of formal structures, with a significant number of flats/apartments

Census data indicates that 30% of households in Stellenbosch LM could be characterised as being inadequately housed. In Stellenbosch MP this proportion is only 1%

## 7.2 MUNICIPAL DEMAND DATABASE

Total registered demand as at 2 April 2015 for Stellenbosch Local Municipality was recorded as 19 749. The majority of households responded with "None/Other" when asked about what type of assistance they preferred. Less than 1% of households indicated a preference for rental assistance

According to data from the Western Cape Housing Demand Database, there are 12 293 households in the town of Stellenbosch on the waiting list as at December 2015

(Source: Municipal Human Settlement Demand Profiles, June 2015, Western Cape Government: Human Settlements)

There is no reliable information on present day income; whether some of these have in the meanwhile found housing; and what type of housing households would choose within limited options. The preferred tenure option is almost 100% ownership is preferred and none for rental. However this choice probably represents the statement of the 'ideal' solution it does not reflect the decision a household would make when placed in the situation of available choice linked to location and price.

## 7.3 OTHER SOURCES

The SDF indicates that 4 675 Social Housing opportunities are needed to meet the Municipal affordable housing need. Further, Stellenbosch houses a renowned University, and available rental opportunities are quickly snapped up by students, thus further challenging the supply of affordable rental opportunities for locals

Employment data from Quantec (2013) indicates that there were 16 549 unskilled and semi-skilled people employed in the community and social services, financial and business services, wholesale and retail trade, manufacturing, general government, and construction sectors, the sectors from which affordable rental tenants would most likely be drawn. It is of course not possible to draw causal links and conclusions from these numbers, but they give some indication that there appears to be a need for affordable housing, either rental or ownership or both.

## STRATEGY SUMMARY BOX

### REAL DEMAND

- Difficult to precise demand on existing information.
- Estimate demand on a continuum 500 – 2 000
- Agree to practically test demand with 2 projects of approximately 700 units on 2 sites and then reassess demand.

## 8. LAND AND BUILDINGS

### 8.1 RESTRUCTURING ZONE

A requirement for accessing Restructuring Capital Grant (RCG) is that the municipality is approved as a Restructuring Zone Municipality and that within the municipality that there are formally approved RZs. Parallel to this strategy development exercise there is a process to prepare the application for RZ status and agreement on a RZ proposal for the municipality (see Appendix 1).

The criteria used in determining the restructuring Zone were as follows:

- The provision of a sound restructuring logic in motivating the application. This is the key criterion.
- Clear specification of restructuring outcomes and indicators.
- The satisfactory identification of outputs considered necessary to achieve restructuring outcomes
- Successful incorporation of Restructuring Zones into the normal planning activities/processes of the applicant municipality.
- The specification of adequate Zone management arrangements
- Satisfactory execution of due process requirements including consultation with existing/affected residents conducted?

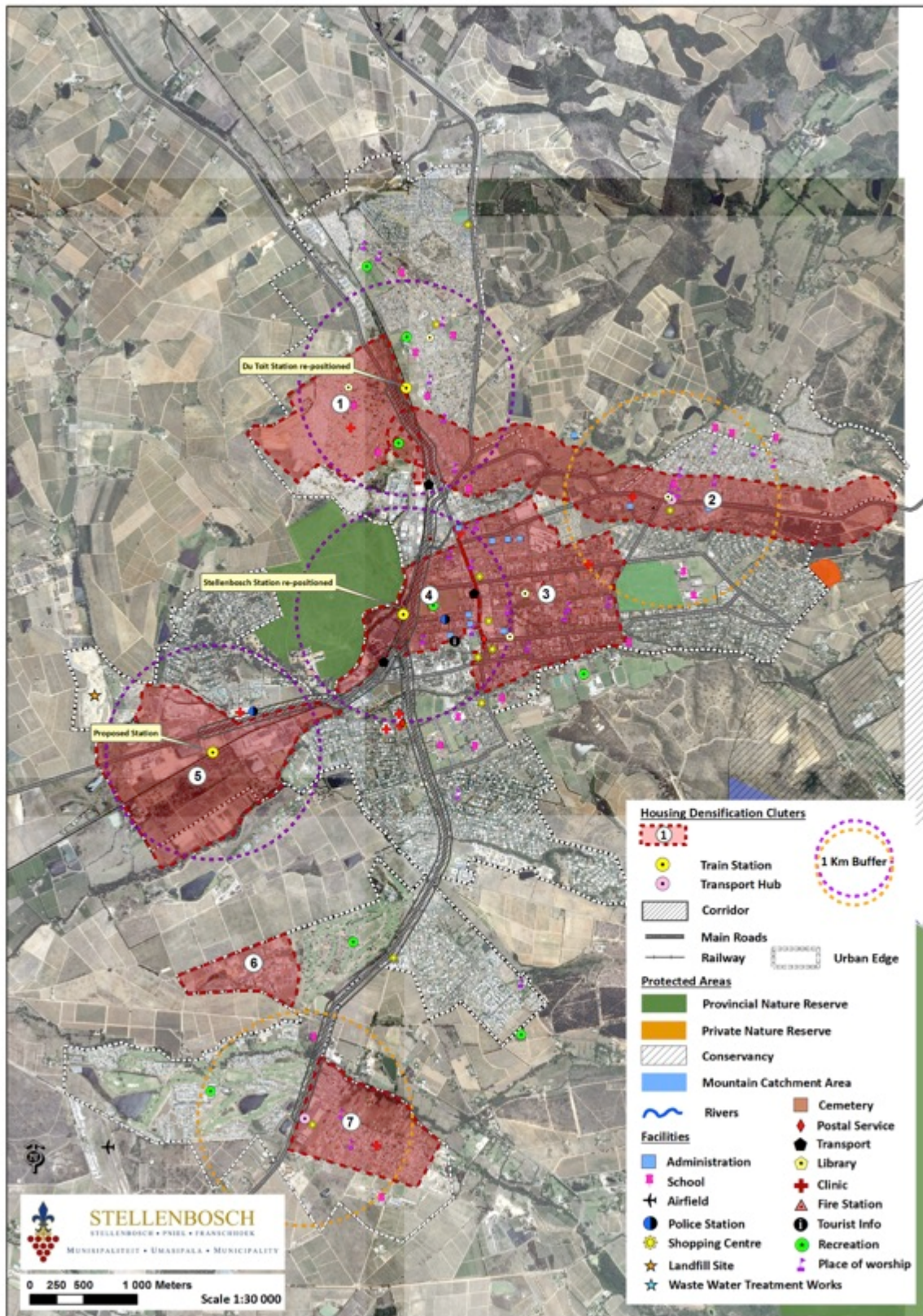
The proposed RZs for Stellenbosch align well with the Spatial Development priorities that concentrate on growth in and near the Stellenbosch urban centre, with specific emphasis on infill and densification within Housing Densification Clusters along main transport corridors, to bring people closer to work and social facilities, including through social housing. Strategic perspectives in the SDF include the development principles of:

- Interconnected nodes
- Car-free living (there is a well-developed non-motorised transport policy)
- Inclusive economic growth
- Optimal land use

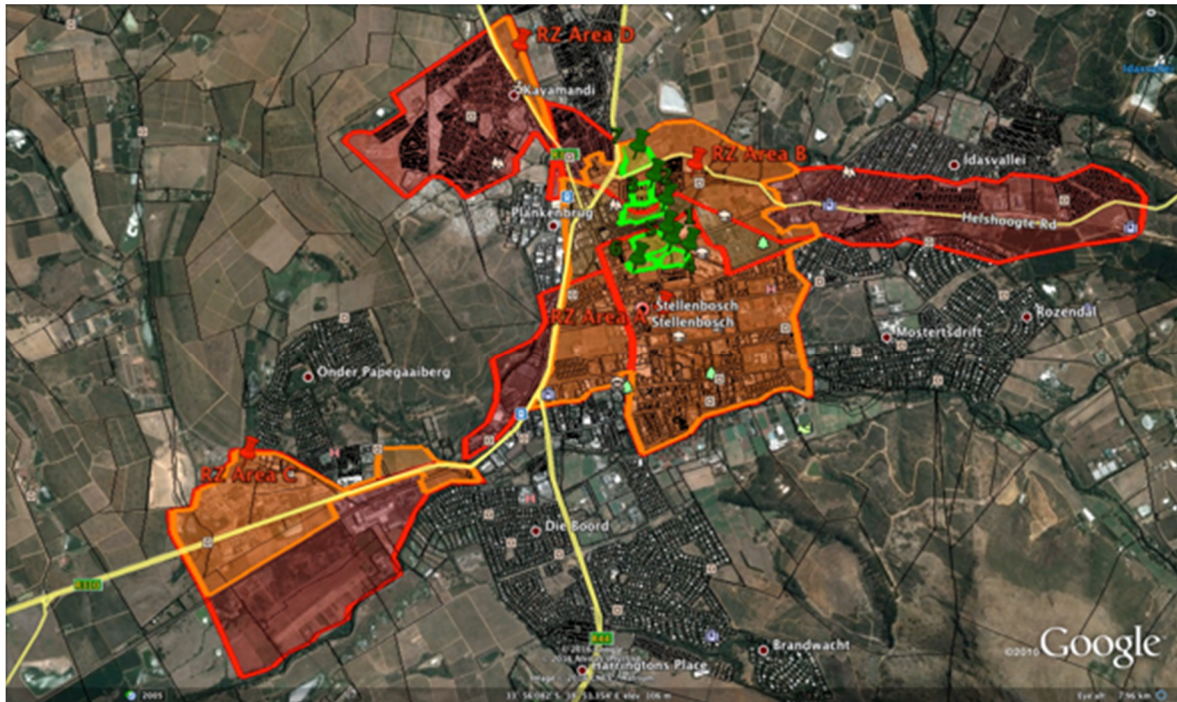
The municipality has also developed spatial and economic development policies and plans with which social housing restructuring (economic, social, spatial integration) and densification objectives align well, such as the Integrated Zoning Scheme and Transport Oriented Development nodes

The census data, together with SDF shows that job opportunities in the previously identified commercial, manufacturing and services sectors, as well as social facilities such as public schools and health facilities are widely distributed all over the main urban centre, and well able to be accessed via public transport from the proposed RZs.

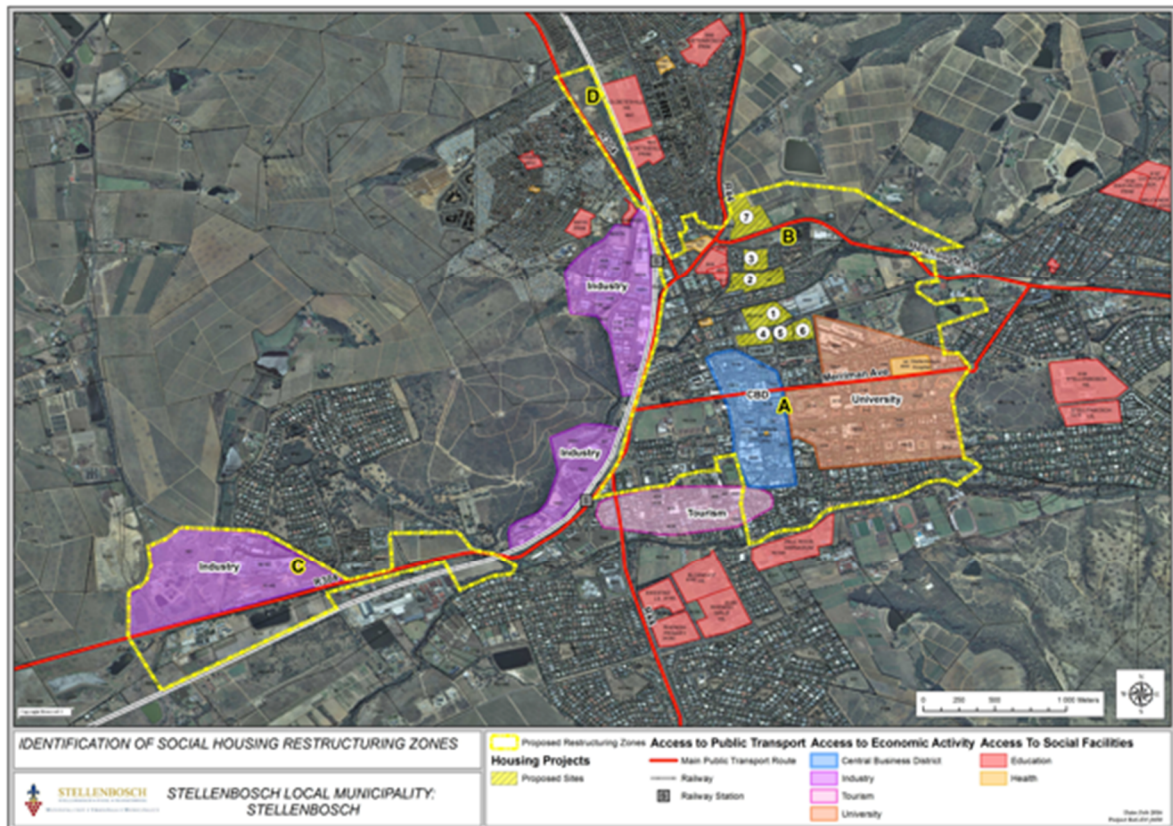
MAP 1: STELLENBOSCH PROPOSED HOUSING DENSIFICATION CLUSTERS



MAP 2: THE PROPOSED RESTRUCTURING ZONES, SHOWING ALIGNMENT WITH THE HOUSING DENSIFICATION CLUSTERS



MAP 3: FINAL MAPPING OF THE PROPOSED RESTRUCTURING ZONES IN CONTEXT OF SOCIO-ECONOMIC INFRASTRUCTURE AND DRAFT INDICATIVE PROJECT SITES WITH POTENTIAL FOR SOCIAL HOUSING DEVELOPMENT



**TABLE 2: MOTIVATION FOR AND ALIGNMENT OF RZs WITH HOUSING DENSIFICATION CLUSTERS**

<b>NO.</b>	<b>DESCRIPTION</b>	<b>INCLUDED IN PROPOSED RZs? (General note: All proposed RZs fall within the current urban edge)</b>	<b>RZ AREA</b>	<b>POTENTIAL PROJECT SITES</b>
1	Kayamandi township	Mainly not included. Townships generally don't present opportunities for integration with main access and opportunities available in more well-developed and economically active town centres. Also placing social housing in townships where there are high concentrations of free government housing, poses non-payment risks to SHIs. The only part included is a narrow strip between the R304 main road to the north and the railway line, with the Plankenbrug River flowing through it. The strip is partly developed, and may present some environmental, bulk and linkage constraints, but there is also vacant land, and further studies may identify potential opportunities in future	D	Not yet identified
2	Tennantville and Helshoogte Road corridor	Parts of Tennantville closer to town included. Western part of the corridor closer to town centre included, but the further eastern reaches not included as they start getting too far away from socio-economic facilities, and increase transport costs for people on lower income	B	7
3	Stellenbosch town centre, La Colline	Included. There may not be immediate prospects for social housing in the CBD and surrounding tourism areas, but they might present in the future. Also the main potential social housing sites identified fall within this area	A	1 - 6
4	Dennesig, Adam Tas Road corridor	Section east of railway and Adam Tas Road included. The area west of the railway is heavily built-up already as an industrial area	A	Not yet identified
5	Devon Valleij/ Droëdyke/ R310 corridor	Strips along and close enough to the R310 to be within 10 minutes walking of main public transport route included	C	Not yet identified
6	Techno Park and surrounds	Not included. Too far from town, and intended to house high income skilled and professional people working in the tech industries, with probably limited economic/job opportunities for the semi-skilled and semi-professional people who constitute the main social housing target market segment	N/a	N/a
7	Jamestown	Not included. Too far from town, increasing transport costs to get to socio-economic facilities, probably limited economic/job opportunities for the semi-skilled and semi-professional people who constitute the main social housing target market segment	N/a	N/a

## 8.2 AVAILABLE LAND AND BUILDINGS

The municipality does own a substantial number of old rental stock, in the form of houses and walk-up flats. There are also 4 small blocks of flats, owned by the WC DoHS. Summary as follows:

Name and type	Location	Units	Comment
Lapland – flats in medium rise blocks with lifts	Jan Cilliers Street, between La Colline and town centre	221	In fairly good condition. Mixed tenancy with some indigent and aged. Low collection rates.
Rhodes Str flats	Cloetesville	72	Condition fair to poor. Low collection rates
Lang & Kloof Str flats	Cloetesville	132	Condition fair to poor. Low collection rates
Maisonettes	Eike, Pine, Primrose, Jakaranda Str, Cloetesville	36	Condition fair to poor. Low collection rates
Houses	Kayamandi	146	Condition fair to poor. Low collection rates
Provincial flats	La Colline	32	In fair condition. Collection rates unknown

In addition there are grey sector hostels, mainly in the townships. Details of numbers of units, and tenancies are unknown. The flats and hostels in the townships are generally in poor physical condition, and although tenants are billed, and in many instances have been handed over, subject to low levels of rental collection and large accumulated arrears. Many of these are in need of upgrade or refurbishment, or may even best be demolished and the sites re-developed, but the details are not known as there has been no building condition audit, or feasibility studies conducted.

Feasibility studies should be conducted on all the flats in Stellenbosch to determine re-development and infill potential

**In addition to the strategic intent of the rental programme, the implementation of the rental housing programme must be premised on the following main principles:**

- 1. Development and management of rental stock by external delivery agents/partners must contribute significantly to local and especially black economic development and empowerment. Adherence to this principle will be regulated through specific requirements in the written partnership and project performance agreements between the municipality and its chosen partners, to be approved by council at a later date**
- 2. Re-development of any existing properties must not result in homelessness or displacement to backyards, informal settlements or any other form of inferior accommodation for existing residents. Any re-location necessitated by regularization of tenancy must make full use of all instruments available including fully or partly subsidized ownership or rental housing options, and indigent support policies and instruments**

The table on the next page provides a summary of the municipal land potentially available for government assisted rental housing.

**TABLE 3: DRAFT INDICATIVE SCHEDULE LAND AVAILABLE FOR RENTAL HOUSING DEVELOPMENT – MUNICIPALITY TO CONDUCT FINAL IDENTIFICATION OF PROJECT SITES FOR DEVELOPMENT**

No.	NAME	ERF NO	SIZE FOR RH	OWNERSHIP	ZONING	NO. RENTAL UNITS	YEAR FOR DEV	COMMENTS
1	Lapland flats	RE/2149	3.7849 ha	Municipal	Res 4	180 new 220 refurb 400 total	2017	Existing medium-rise council flats in fair condition. Refurb existing, regularize tenancy, opportunities for infill densification.
2	Teen-die-bult, La Colline	3481/2/3/4/5/6	0.7011 ha	Municipal	Res 3?	100	2018	Existing duplex row housing on 6 erven above park housing municipal officials. Investigate possibility of incorporating portion of park and re-develop at higher density for SH on site, approx. 1.0 ha in size, with internal green space and roads, potentially yielding 150 units (150 du/ha)
3	La Colline	2645, 2644, 2666, 2667, 2660, 2661, 2684, 2683	1.4151 ha	Provincial	Res 3?	240	2019	Existing small blocks of flats in four city blocks of 2 erven each, clustered around Tobruk Park. Can be demolished and re-developed at higher densities for SH. Each block of 2 erven requires consolidation and re-zoning? Investigate possibility (feasibility study) of consolidating all 8 erven and the park and streets into one larger site, approx. 2.4 ha in size, with internal green space and roads, and re-develop for SH, potentially yielding between 360 units (150 du/ha) and 480 units (200 du/ha)
4, 5, 6	Town Centre	2609 (prison), 6590 (school), 6659 (traffic dept)	4.3739 ha combined	Municipal and govt	Institutional?	660 (240 in 2020, balance after this 5 year strategy)	2020	Unused/underused buildings, relocated or to be relocated. Buildings can be demolished and sites re-developed for SH. Re-location of existing users, negotiations for transfer of land, and re-zoning required
<b>POTENTIAL FUTURE OPPORTUNITIES BEYOND CURRENT 5-YEAR STRATEGY:</b>								
7, 8	Nietvoorbij experimental farm (or other vacant land along Helshoogte corridor), Devon Vallei/Droëdyke/R310 corridor and Plankenbrug River strip between R304 and railway line)					750 – 1000?	After current 5 year strategy?	Portion of farm at southern end could possibly be acquired and developed for mixed use, including some SH. Possible environmental, bulk and planning constraints, but unknown at this stage

## STRATEGY SUMMARY BOX

### LAND AND BUILDINGS

- Have RZ areas A, B, C, D approved
- Development of 400 - 500 units on 2 identified municipal and government sites, followed by the balance in stages dependent upon the establishing of demand on the first project.
- Participate in the preparation of more sites for development to include GARH for implementation in the 5 year strategy, and identification of further sites for development in the following 5 year strategy
- No CRU funding has been approved for the municipal stock, and the condition upgrade, tenant regularization, and adjustment of rentals to economic cost recovery have not been addressed. Feasibility studies should be conducted on all the flats in Stellenbosch to determine re-development and infill potential. This should include looking at creating new stock (small bedsitters and/or rooms with shared facilities) for the indigent and aged and special needs people currently residing in municipal stock
- Conduct feasibility studies into the use of institutional subsidy for rent-to-buy for farmworkers and other employees of large employers in viable areas close to facilities and transport, on land provided by government and/or farm owners/large employers, and with capital contributions from farm owners and large employers

## 9. FINANCING

### 9.1 THE MUNICIPALITY

The municipality's Capital Budget for Human Settlements relies mainly on subsidy transfers from Province for housing. This together with the infrastructure grant used for housing is primarily targeted at the informal settlements and BNG programmes. The municipality is likely to remain reliant on Province to finance its rental housing contributions over and above the municipality's annual allocation.

### 9.2 THE RENTAL HOUSING PROGRAMME

The precise financing requirements are dependent upon the programme identified for the development and the quantum of subsidy determined by National Government for each programme. The Tables below are based on 2 possible scenarios:

**Status quo** - Quantum remains the same but both RCG and CRU Subsidy are increased at 6% per annum.

**New:** RCG Quantum is increased to R155 000 from 2016 – 2017 financial year and then by 6% annually.

The assumption is that the average cost of a SH unit is R400 000 in 2016 and increases by 6% per annum.



**TABLE 4: POTENTIAL CAPITAL COST OF STOCK AND APPLICABLE SUBSIDY**

SH	2016	2017	2018	2019	2020
<b>COST OF UNIT</b>	<b>400000</b>	<b>424000</b>	<b>449440</b>	<b>476406</b>	<b>504991</b>
RCG	125000	132500	140450	148877	157810
Institutional Subsidy	120000	127200	134832	142922	151497
Equity Loan	155000	164300	174158	184607	195684
<b>CRU</b>	<b>400000</b>	<b>424000</b>	<b>449440</b>	<b>476406</b>	<b>504991</b>

<b>STELLENBOSCH DRAFT PLAN RCG STATUS QUO</b>	2016	2017	2018	2019	2020
SH Units	0	180	320	240	260
CRU Units					100
<b>RCG</b>	<b>0</b>	<b>23 850 000</b>	<b>44 944 000</b>	<b>35 730 480</b>	<b>41 030 600</b>
<b>IS - Prov</b>	0	22 896 000	43 146 240	34 301 280	39 389 3220
<b>CRU - Prov.</b>	0	0	0	0	50 499 100
<b>PROV/MUNI</b>	<b>0</b>	<b>22 896 000</b>	<b>43 146 240</b>	<b>34 301 280</b>	<b>89 888 320</b>

<b>STELLENBOSCH DRAFT PLAN NEW RCG</b>					
	2016	2017	2018	2019	2020
<b>COST OF UNIT</b>	<b>400 000</b>	<b>424 000</b>	<b>449 440</b>	<b>476 406</b>	<b>504 991</b>
<b>SH</b>					
RCG	155 000	164 300	174 158	184 607	195 684
Institutional Subsidy	120 000	127 200	134 832	142 922	151 497
Equity Loan	125 000	132 500	140 450	148 877	157 810
<b>CRU</b>	<b>400 000</b>	<b>424 000</b>	<b>449 440</b>	<b>476 406</b>	<b>504 991</b>
<b>STELLENBOSCH PLAN</b>					
SH Units	0	180	320	240	260
CRU Units					100
<b>RCG</b>	<b>0</b>	<b>29 574 000</b>	<b>55 730 560</b>	<b>44 305 680</b>	<b>50 877 840</b>
<b>IS - Prov</b>	0	22 896 000	43 146 240	34 301 280	39 389 3220
<b>CRU - Prov.</b>	0	0	0	0	50 499 100
<b>PROV/MUNI</b>	<b>0</b>	<b>22 896 000</b>	<b>43 146 240</b>	<b>34 301 280</b>	<b>89 888 320</b>

Using this basis the estimated cost to the Municipality and the Province is highlighted in the table above for the 5 years of delivery. The municipality would rely on funding this directly from the Provincial Government's allocation to the Rental Housing programme rather than from the municipality's allocation from the Provincial Housing Budget. Such an assurance is a dependency for the implementation of the strategy.

## STRATEGY SUMMARY BOX

### FINANCE

- Recognition that there is still much uncertainty about the quantum of government capital grants and that it is very difficult to make the existing quantum work for SH programme.
- Based on this the Capital Cost of this programme are presently worked out on 2 models one for 'Status Quo' the other for 'New'
- Based on this it is calculated that to implement the programme that the Municipality will require the following allocations from WCDoHS over and above their present Housing allocation:

PROV/MUNI -	2017	2018	2019	2020
IS for SH	22 896 000	43 146 240	34 301 280	39 389 3220
CRU	0	0	0	50 499 100

- Under the 2 scenarios the municipality would receive the following capital investment into the projects via the National RCG:

	2017	2018	2019	2020
Status Quo	23 850 000	44 944 000	35 730 480	41 030 600
New	29 574 000	55 730 560	44 305 680	50 877 840

## 10. ORGANISATION CAPACITY

### 10.1 STAFFING

Although all 53 posts in the Housing Department were filled in 2015, the responsibilities included New Housing, Housing Administration, Integrated Human Settlements and Property Management. This situation is presently probably insufficient to undertake the municipal responsibility for the Government assisted rental programme within the municipality. In addition, the municipality does not presently have a structured partnership with a SHI or other agency to facilitate the development and undertake the management of the rental stock.

The critical areas of capacity required either directly in the municipality or with key external stakeholders is outlined in the following table.

TABLE 5: FUNCTIONAL RESPONSIBILITIES GOVERNMENT ASSISTED RENTAL HOUSING

FUNCTION	PRESENT SITUATION	REQUIRED
Preparation of Rental Housing Policy	Capacity in HD with some technical support from Province to do this.	Assignment to official and agreement with Prov. Re support
Managing rental housing policy and strategy for municipality	Official in municipality tasked with managing RZ.	Need to define the responsibility more broadly to manage the rental housing programme for municipality. JD changes and capacity development programme for manager
Managing RZ	Official in municipality tasked with managing RZ.	<ul style="list-style-type: none"> <li>Official requires formal recognition in JD and possible caps dev.</li> <li>Structure co-coordinating group across relevant departments.</li> </ul>
Assembling land	Official from Housing Dept	Use the RH Co-coordinating Committee monitor and build cohesiveness between departments.
Packaging land	RH/RZ Official from Housing Dept	JD Defining this. The RH Co-coordinating Committee TOR Structured Partnership with SHI(s) to that defines ways of transferring land on viable basis within MFMA
Transferring land	Not yet done for Rental housing	Policy and procedure as above.
Preparing SHI partnership	Does not exist	Advertising for an already accredited SHI as partner. Preparation of policy and the legal documents for partnership. Set in place programme for managing partnership
Managing the SHI – Municipal partnership.	Does not exist	In JD of the RH/RZ Programme Manager. Undertaking of relevant activities as per programme and contractual obligations.
Facilitating development of stock	Presently in municipality	Once the partnership with SHI established this becomes responsibility of SHI in co-operation with municipality
Developing sites for rental housing	Presently none	SHI within partnership can either do itself or partner with a developer with capacity.
Construction on sites	Presently none	Managed by SHI on basis of SHI procurement programme and linked to the detailed design plan and approved plans in course of Project Approval through SHRA (SH). SH – Oversight by SHRA CRU Oversight by Prov/Muni
Managing stock and tenancies	Presently none	SHI in conjunction with partnership and within the regulatory and reporting framework of SHRA
Allocation	Presently none	Responsibility of the SHI but with guidance within the Partnership and Project Agreements with municipality
M&E of Rental programme	Presently none	The RH/PZ manager and the co-coordinating committee in conjunction with SHRA Regulation and reporting programme.

## 10.2 SYSTEMS

As stated above, there are municipal policies that are required to implement the GARH programme, below find a review of the relevant policies, together with required inclusions or amendment.

POLICY	KEY ELEMENTS AFFECTING GARH	KEY ADDITIONS/AMENDMENTS
Indigent policy	The policy provides for free basic services to households whose incomes are below R3300 pm, lessees of council stock, state pensioners and disabled. Rates benefits to property owners as per normal residential rates (First R85000 not rated). Also other than registered indigent consumers e.g. backyarders, farmworkers and tenants of non-council stock who meet the other criteria may qualify for concessions	This policy in its current form appears to be adequate to deal with for instance rightsizing of the indigent and aged currently in municipal stock, or possibly in future CRU stock. Indigency would not normally apply in the social housing target market
Asset disposal	The asset disposal policy makes provision for assets to be disposed of or leased in an open and transparent manner at a market related price. It does make provision for disposal at less than market price when for best social return, of benefit to community, or where land part of a larger project involving regeneration, etc , all of which must be motivated by the MM. Definitions of above don't specifically talk to social housing	Expand definitions to include SH specifically as qualifying for preferential immovable property release (sale or long lease) to SHI partners at a nominal fee
SCM	The Supply chain management policy makes provision for the lease of assets at below market prices if it is in the public interest and for the plight of the poor, but these concepts don't specifically talk to social housing	Need to assess whether this provision includes a long term lease – 40 years and longer, if not then provision needs to be made – if the Municipality decides to go the lease route
Property rating	The policy makes provision for rates non-rating only for municipal properties used by directorates, and exemption for all other municipal properties except when leased when the rates will be included in the rental – hence any municipal owned CRU stock will potentially be exempt. There is a current benefit of a rates rebate on NPOs/CBOs; however the categories specified do not address the type of business of an SHI.	CRU stock is okay SH stock – needs to be specified – SHI requires two aspects to be considered, one it cannot be rated as a commercial entity and 2 it may not need the concessionary rate over the long term – so a phased approach commencing with a low base then it increases over time until it reaches normal rating
Town planning and building plan fees and development contributions	Normal tariffs determined by the municipality in its tariffs policies apply	Rebates on application fees and rebates/waivers on development contributions

## **STRATEGY SUMMARY BOX**

### **ORGANISATIONAL CAPACITY**

- To formalise the JD of the manager of the rental programme including responsibility for managing RZ and the partnership with SHI(s) as well as responsibility for rental housing policy, land pipeline and the Rental Steering Committee or amend the JD of the Housing Manager and a Senior Town planner with the requisite roles.
- Develop the policies; smart partner, land release, concessionary property rating, reduced town planning and building plan application fees.
- Set up and manage Rental Housing Steering Committee within the municipality
- Establish and manage Smart Partner arrangement with SHI through an advertisement for an existing accredited SHI as partner

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## D: GOVERNMENT ASSISTED RENTAL HOUSING STRATEGY

### 11. OBJECTIVES

1. To develop rental opportunities for low and moderate income households, in doing so, to make it easier for them to assess the established socio economic resources of the town.
2. To use Government Assisted Rental Housing Programme to densify the town and create greater economic integration in residential areas of the town.
3. To achieve the social objective of increased residential integration by making targeted use of municipal land and buildings.

### 12. OUTPUTS

1. 400 – 600 good quality and well managed government assisted rental units on at least two different well located sites in the town.
2. The necessary institutional capacity (both within and outside the municipality) to achieve 2.1 above and continue to run a 'government assisted' rental housing programme for the municipality.

### 13. IMPACT

1. At least 1200 households whose life opportunities have improved because of their access to secure rental closer to socio economic opportunities of the town over a 10 year period.
2. Improved density, better quality and a more economically integrated town with improved quality to the urban environment and better quality of life in the areas affected.

### 14. PROGRAMMES OF ACTIVITIES

1. Creation of an enabling environment for affordable rental housing to be delivered within the municipal programme.
2. Developing and managing a pipeline of rental housing opportunities.
3. Capacity and institutional arrangements to deliver the affordable rental housing programme.

## 15. ACTION PLAN

The table below outlines an action plan to guide the delivery of the strategy.

TABLE 6: ACTION PLAN FOR MUNICIPAL ASSISTED HOUSING

### Programme 1: Creation of an enabling environment for affordable rental housing to be delivered within a municipal programme

DELIVERABLE	KEY ACTIVITY	RESPONSIBLE	TIMEFRAME					INDICATOR/TARGET
			1	2	3	4	5	
<b>Rental housing strategy, plan &amp; performance framework</b>	Develop the strategy, implementation plan (incl performance indicators) and budgets	RH/RZ Manager	x					Council approved GARH Programme
	Development of annual business plan – this is part of the Housing Chapter	RH/RZ Manager	X	X	X	X	X	Annual GARH business plan approved
<b>Demarcation and management of restructuring zones</b>	Develop the criteria, methodology and application for RZ demarcation	RH/RZ Manager	X					Council approved RZs
	Track approval/gazetting of RZs	RH/RZ Manager	X					Gazetted RZs
	Monitor performance of the RH development within the zones	RH/RZ Manager		X	X	X	X	Land parcels developed and stock fully let
	Review the performance and relevance of the zones	RH/RZ Manager					X	
<b>Smart partner policy</b>	Develop the Smart partner policy	RH/RZ Manager	X					Council approved Smart partner policy
	Develop the Smart Partner framework and system	RH/RZ Manager	X					Procedures manual with tools and templates
	Develop the Smart Partner agreement - templates	RH/RZ Manager	X					Smart partner agreement
<b>Property rating policy - for Affordable Rental Housing</b>	Develop the property rating dispensation for ARH stock	Director -Planning and Integrated Services	X					Council approved property rating policy
	Special dispensation of town planning and building plan approval pricing for SHI's	Director -Planning and Integrated Services	X					Council approved reduced tariffs
	Prioritisation of bulk infrastructure services for identified rental housing land.	Director -Planning and Integrated Services	X					Infrastructure plan aligned to HSP

**Programme 2: A pipeline of rental housing opportunities**

DELIVERABLE	KEY ACTIVITY	RESPONSIBLE	TIMEFRAME					INDICATOR/TARGET
			1	2	3	4	5	
<b>Provision and allocation of land for affordable rental housing</b>	Land/Project agreements (for identified sites) with SHI's	RH/RZ Manager		x	x			Land agreements in place for 3 priority projects
	Pursue private land and buildings and request funding for the purchase from WCDOHS	RH/RZ Manager	x	x	x			Private land acquired
	Continuously update the project pipeline		x	x	x	x	x	Project tracking tool updated
<b>Alignment of infrastructure provision with the affordable rental housing pipeline</b>	Engage the engineering dept to ensure that infrastructure is made available for the project pipeline	Director - Planning and Integrated Services	x	x	x	x	x	Aligned infrastructure plan
<b>Packaging of the land</b>	Undertake town planning and Environmental authorisation processes until such time as the SHI is appointed to package the land	RH/RZ Manager	x	x	x			Land ready for transfer for development
<b>Fast tracked town planning and building plan approvals</b>	Put measures in place to get comments and authorisation from the relevant depts.	RH/RZ Manager		x	x	x		Council Approvals in 6 weeks
	Monitor and track the approval process	RH/RZ Manager		x	x	x		Successfully packaged land within agreed timeframe
	Concept Design	Service Providers			x	x		SH concept plans for site.
	Land Preparation	RH/RZ Manager				x	x	Agreed space for social housing/CRU and necessary sub division and zoning completed
	Infrastructure Preparation	Director - Planning and Integrated Services				x	x	Bulk infrastructure installation in progress
	Rental Housing land Transfer	RH/RZ Manager					x	SHI with development rights on RH land.



**Programme 3: Capacity and institutional arrangements to deliver the affordable rental housing programme**

DELIVERABLE	KEY ACTIVITY	RESPONSIBLE	TIMEFRAME					INDICATOR/TARGET
			1	2	3	4	5	
<b>Internal organisation capacity and systems to plan, implement and monitor performance of the affordable rental housing programme</b>	RH and RZ Manager in place	Director	x					RH/RZ Manager appointed
	RH Steering Committee appointed, TOR developed and approved, institutional arrangement is functional	RH/RZ Programme Manager	x					Steering Committee established and meeting
	Procedures and tools and templates developed	RH Programme Manager	x					1.Smart partner policy and agreement 2.Land release policy and agreement 3. Tariffs for SHI's
	Performance monitoring tools for SHI developed	RH Programme Manager		x				1.Performance management tool 2.Project tracking tool 3.RZ review tool
<b>Partnership arrangements to support the Municipality with the management and implementation of the programme</b>	Smart partner agreements: Performance agreements for the development and management of RH stock	RH Programme Manager	X					Smart partner agreement in place
	MOU with WCDOHS: Alignment of Funding and funding agreement: grants (SHRA)and debt (NHFC) Capacitation: Funding and actual training Support: Technical Facilitation with third parties: for land, capacitation, research, SHI performance	Director	X					MOU with WCDOHS
	MOU with NASHO: Capacity building programme Technical support	Director	X					MOU with NASHO

## 16. FINANCIAL PLAN

### 16.1 CAPITAL

Given some of the financing uncertainties and without having finalised the site development plans it is difficult to precise the capital subsidy required. However the information in section C provides some indicative amounts based on an increased RCG allocation as this is the only way to potentially make the projects financially viable.

There is no clarity on the likely infrastructure costs for the proposed Projects.

### 16.2 OPERATIONAL

This is mainly to ensure that the municipality manages and develops the Government assisted rental housing programme. This would come from the core funding of the municipal human settlement department.

There is however additional amounts required for the external support for the development of the necessary institutional capacity especially within the municipality. The following are estimated amounts for the support with the key aspects. The financing sources for these require agreement between the municipality, the Province and the SHRA.

<b>ACTIVITY</b>	<b>AMOUNT</b>	<b>SUGGESTED SOURCE</b>
<b>Development of personnel capacity in Municipality</b>	R80 000	Province
<b>Further support with the approval of municipal policy and procedures and rental housing incentives</b>	R50 000	Province
<b>Further support with procurement of Smart partner Arrangements</b>	R100 000	Province and SHRA
<b>Support in project preparation with SHI</b>	R100 000	SHRA

# APPENDIX 1: CRITERIA AND METHODOLOGY FOR IDENTIFYING RESTRUCTURING ZONES

<b>CRITERIA AND METHODOLOGY FOR DEMARCATING RZs:</b>
<b>GENERAL BACKGROUND AND GUIDELINES:</b>
<b>SOCIAL HOUSING ACT</b>
The Social Act of 2008 defines a restructuring zone as follows: "restructuring zone means a geographic area which has been – (a) identified by the municipality, with the concurrence of the provincial government, for purposes of social housing; and (b) designated by the minister in the Gazette for approved projects"
<b>RESTRUCTURING ZONE GUIDELINES</b>
Draft Restructuring Guidelines state that "restructuring zones are intended as an instrument (among others) to pursue restructuring of South African cities, this is essentially about integration: economic, racial and social. Restructuring is largely about moving away from housing interventions that entrench/enforce or in any way maintain the spatial status quo, which reinforces certain social and economic disparities.
"Restructuring is thus intimately linked to interventions in the land market: either to protect lower income (and often Black) people from displacement or to bring lower income (often Black) into areas of economic and other forms of opportunity from which they would otherwise be excluded. This is perhaps the most important meaning of restructuring". The logic of restructuring is clearly not the same as the logic of urban regeneration and urban renewal but there are some overlaps.
These zones are intended to align with Urban Development Zones and to link to planning processes such as the national spatial development framework, Provincial Growth and Development strategies/Provincial spatial development plans, and most particularly local authorities' IDPs. In the case of this assignment none of the selected candidate municipalities have UDZs, and this alignment is therefore, not required. Alignment with the other planning processes, and with urban renewal objectives would however, receive attention.
<b>Restructuring via social housing seeks to achieve three main dimensions of restructuring :</b>
Spatial restructuring by bringing lower income (and often disadvantaged) people into areas where there are major economic opportunities (both with respect to jobs and consumption) and from which they would otherwise be excluded because of the dynamics of the land market on the one hand and the effects of land use planning instruments such as large-lot zoning (minimum erf sizes). This it should be stressed is the primary meaning of spatial restructuring as it used in social housing policy. Indirectly social housing as understood here contributes to spatial restructuring by increasing densities and compacting growth thereby ensuring that the poor are not pushed out to marginal locations at the edge of the city.
Social restructuring by promoting a mix of race and classes.
Economic restructuring by promoting spatial access to economic opportunity and promoting job creation via the multiplier effect associated with building medium density housing stock.
The primary dimension of the meaning of restructuring is economic opportunity/access. It should be used to open up areas which have major economic opportunities and from which poor people have been excluded or to protect poor people from being displaced from areas with economic opportunity (e.g. inner cities experiencing a revival of property values and where rents are escalating).
A restructuring zone should be motivated on the basis that it contributes to all three types of restructuring. Promotion of economic access on its own is however not sufficient motivation. So too is race and class mix (where social housing brings predominantly lower income people into higher income areas). Restructuring zones cannot be justified on the basis of spatial morphology alone (i.e. it cannot be solely motivated on the grounds that it contributes to changing the form of urban areas from low density areas with low-rise single unit dwellings to higher density areas with medium-rise buildings).

It is important to distinguish between “regeneration/urban renewal zones” and “restructuring zones”. Many local authorities have identified “regeneration/urban renewal” areas and as a general rule these are poor areas in need of upliftment and investment. They may be areas with significant latent economic potential but often they are not areas from which poor people have been excluded by virtue of the operation of the land market. In a South African context restructuring zones will often coincide with nodes and corridors of economic opportunity. Townships will not be restructuring areas although almost all will be regeneration areas. Of course there may be economic nodes and corridors within or abutting townships which could qualify as restructuring areas.

Identification and demarcation of PRZs should as far as possible be based on existing plans. Most of the municipalities have via their IDP process already identified spatial focus areas which come close to achieving the meaning and intent of restructuring zones. This helps ensure that the initial identification and demarcation process is closely articulated with local government and provincial planning processes. It also means that formal due process (consultation etc.) will have been followed.

The inclusion of areas where “rights” accorded via other formal processes (such as land use zoning) may be negatively affected, should be avoided. The PRZs should as far as possible be uncontroversial and not affect existing rights.

Most municipalities have identified nodes and corridors in their planning processes. These are likely to be suitable as restructuring zones because of proximity to both job opportunities and consumption opportunities.

In instances where no suitable existing zones exist; appropriate restructuring zones should be identified and demarcated in un contentious locations (such as inner city areas) so as to avoid long due process delays.

### Demarcation

Zones can be blobs or lines

Nodes and corridors are likely to be prime candidates to qualify as restructuring zones (relates also to spatial restructuring)

Areas must be large enough to allow for significant restructuring and warrant zone management

Area demarcation must be justified in terms of restructuring and planning logic

Attention should be given to the edges of a zone. The environments on either side of the boundaries of the zone should be markedly different (for example the boundary of restructuring zone identified along a high density corridor should be drawn at a point where there is a sharp drop-off in existing and anticipation densities). Where possible boundaries should have a logic attached to them

### The Key Criteria for Approval are as follows :

The provision of a sound restructuring logic in motivating the application. This is the key criterion.

Clear specification of restructuring outcomes and indicators.

The satisfactory identification of outputs considered necessary to achieve restructuring outcomes

Successful incorporation of Restructuring Zones into the normal planning activities/processes of the applicant municipality.

The specification of adequate Zone management arrangements

Satisfactory execution of due process requirements including consultation with existing/affected residents conducted?

### SUSTAINABILITY CRITERIA FOR ASSESSMENT OF ALL HUMAN SETTLEMENT PROJECTS IN THE WESTERN CAPE (BNG AND ISIDIMA)

The WCDHS has developed a system for assessing all human settlement projects with regard to:

Economic sustainability - affordability, access to economic opportunities

Social sustainability - social integration, access to educational, recreational and health facilities

Ecological sustainability - conservation of scarce resources

<b>GENERAL CHARACTERISTICS FOR AREAS TO BE DESIGNATED AS RZs</b>
Areas with adequate economic and social infrastructure
Areas with potential for economic, spatial and social integration, meaning areas where some, or all aspects of such integration are currently lacking
Well-located areas where the introduction of social housing would prevent the displacement of currently residing working poor people during slum clearance or urban renewal programmes
Areas which would not be impossible to zone/re-zone for residential/mixed-use development such as green belts/conservation areas, areas below flood lines or with impossible topographic/geotechnical development conditions
Areas where the City or government own vacant land and/or underutilised/derelict buildings will be to advantage. This should not however, be an absolute requirement, and should not cause the exclusion of areas where no such properties are currently available, but where future opportunities may arise due to changes in the nature of properties
<b>Alignment, as far as possible, and within the principles of restructuring via social housing as outlined, with existing municipal plans such as:</b>
Spatial development frameworks
Transport plans
Local economic development plans
Housing chapters of IDPs/Housing sector plans
<b>Access and proximity to:</b>
Public transport
Jobs and economic opportunities for the self-employed/small entrepreneurs
Services such as emergency services, health, safety and security services, education, day-care, welfare, cultural and community facilities
Retail shopping facilities
<b>SHOULD THE LOCATION WHERE POTENTIAL SH TENANTS CURRENTLY RESIDE AND/OR WORK PLAYS A DETERMINING ROLE IN DEMARCATING RZs?</b>
Tenants for new social housing projects generally, but not always, come from all over the city and even beyond, acting mostly as individuals or individual households moved by their own personal decisions. This is different from new mass housing or informal settlement upgrading projects which deal with re-housing of entire existing communities and all the political, social and economic dynamics accompanying such processes. In practice the above should mean therefore, that where potential social housing tenants reside, should not normally be a determining factor in where RZs are located as the very objective is to improve their residential locational circumstances. On the other hand many people may already be living in well-located, but insalubrious accommodation (backyards, etc) close to their existing jobs and other facilities and amenities. Note should be taken of this in planning SH projects, but it should not lead to RZs being demarcated in areas that don't conform to the general and specific criteria for such.
<b>SPECIFIC CRITERIA</b>
<b>Within the general guidelines and criteria above, any point within a demarcated RZ should be:</b>
Within 10 minutes walking distance (500m) of critical economic and social infrastructure nodes, or...
Within 10 minutes walking distance (500m) of established, efficient and affordable public transport routes/nodes to critical economic and social infrastructure nodes, and such transport pick-up points be...
within 15 minutes driving distance of such economic and social nodes



**"Creating inclusive urban environs in Stellenbosch through Affordable Rental Housing."**

