



SETTING THE SCENE: PARTICIPATORY NEIGHBOURHOOD PLANNING

WOODSTOCK AND SALT RIVER ENGAGEMENTS

March 2018

BACKGROUND:

- In 2014, DAG embarked on a process designed to enhance collaborative relationships between citizens, civil society and the public sector in Cape Town's inner-city suburbs of Woodstock and Salt River.
- In early 2016, following meetings and workshops in 2014/2015 between DAG, the National Association of Social Housing Organisations (NASHO) and the City of Cape Town's Spatial Planning & Urban Design and Human Settlement Departments, it was agreed to form a collaborative working partnership in an inner-city Project Steering Committee (PSC). The PSC focused on unlocking social housing opportunities in Woodstock and Salt River through a coordinated multi-stakeholder process
- DAG's on-going commitment in this process is to engage local leaders, civil society organisations and the public sector to promote their endeavours to find ways to realise more equitable and inclusive neighbourhood development processes.

WHAT IS SOCIAL HOUSING? AN INTRODUCTION TO SOCIAL HOUSING

WHAT IT IS:

Social Housing exists in many countries around the world. Not all social housing is the same but these statements are true for most social housing:

- It is rental housing- individuals cannot buy, own or sell their housing unit
- It is owned and operated by a social housing institution which is the landlord and is usually a not-for-profit organisation with a “public good” purpose
- It is for low and moderate income people but usually does not provide housing to the very poorest people
- Rents are affordable and related to income, generally between ¼ and 1/3 of income
- It is usually in a multi-unit form, in row housing, walk-up or high rise buildings but not usually in single family detached houses

HOW IT WORKS:

- A social housing project must be economically viable- that is the income from rents and subsidies must be enough to pay the costs of running the project
- Most social housing projects receive subsidies to help cover the construction cost and sometimes to cover a portion of operating costs
- It includes housing for people with special needs (e.g. physically disabled, victims of domestic violence)
- People who live in social housing must pay rent. If not, they face being evicted
- The development process for most social housing projects is quite lengthy. It often takes several years from preliminary approval of a project until it is completed and people can move into their home.

WHO GETS IN

- People who meet the eligibility requirements in terms of income, credit rating and ability to pay
- People make application to the social housing institution and must meet its eligibility requirements. These can include proof of income and/or employment, credit history, legal (immigration or citizenship) status, family composition, rent payment record.



WHAT IS SOCIAL HOUSING? AN INTRODUCTION TO SOCIAL HOUSING (CONTINUED)

SOCIAL HOUSING IN SOUTH AFRICA

- Social Housing in South Africa has been increasing rapidly in the past 10 years. There are tens of thousands of social housing units now and many more in the development stages.
- They are developed, owned and managed by Social Housing Institutions (SHIs). Social Housing is regulated by a national body, the Social Housing Regulatory Agency (SHRA) which is also responsible for the accreditation of SHIs.
- Subsidies are available from national government to assist with the costs of building social housing although many social housing projects must borrow additional funds for construction.
- Social Housing projects must be sustainable- that is, rents must pay the running costs such as repairs, management, rates, insurance, as well as any additional funds that are borrowed for construction.
- Household income must be between R1, 500 and R15, 000 per month to be eligible. The chart shows the income range, percentage of income charged for rent and the proportion of social housing units allocated for different income bands.

SOCIAL HOUSING IN CAPE TOWN

- The City of Cape Town is supporting social housing by providing various sites for development by SHIs.
- Currently 2 sites have been made available to SHIs- Pine Road/Dillon Lane in Woodstock to SOHCO and Salt River Market to Communicare.
- A number of other sites have been offered in a request for proposals (RFP) from SHIs for developing these sites. The date for submission of proposal has passed and the City is currently reviewing the proposals prior to presenting them for public review and comment. This is expected to take place in April.



SHRA'S RENTAL REQUIREMENTS FOR SH DEVELOPMENTS

ALL PHASES	SHRA RECOMMENDED INCOME BANDS, AND RENTAL SPREAD		
TOTAL NUMBERS OF SOCIAL HOUSING RCG QUALIFYING UNITS FOR PHASE IN THIS DEVELOPMENT OPTION.	Income spread (Percentage of all units allocated to income band as per SHRA QSC)	Rent quote (max % of income that can be spent on rental)	Target average rental for this income band
Primary market:			
Income band R1500 - R3500 per month	10%	25%	R625
Income band R3501 - R5500 per month	20%	27%	R1,215
Secondary market:			
Income band R5501 - R7700 per month	20%	32%	R2,112
Income band R7701 - R11300 per month	20%	35%	R3,325
Income band R11301 - R15000 per month	30%	37%	R4,864