



## WHAT IS RESTRUCTURING ZONES?

Restructuring Zones are Geographic Areas that are:

- Identified by the Local Authority – by a council resolution
- Supported by province for targeted, focused investment – for subsidy commitment
- Then Agreed with National Department of Human Settlements (NDoHS) – (by MOU)
- Area(s) that accommodates medium density, multi-unit complexes requiring institutional management – Social Housing Institution (SHI)
- There are 3 Designation process currently:
  - Phase 1
  - Phase 2
  - Phase 3
  - Provisional Restructuring Zones
  - Formal Restructuring Zones
  - Expanding the programme

The Social Housing Restructuring Zones are Areas characterized by the following dysfunctions:

- Spatial Restructuring by bringing lower income people into areas where there are major economic opportunities 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 on the other hand, etc.
- Social Restructuring by promoting a mix of race and classes.
- Economic Restructuring by promoting spatial access to economic opportunity and promoting job creation.



## FUNDING AVAILABLE IN SOCIAL HOUSING

Grants for Social Housing include:

- Restructuring capital grant
- Top-up from provinces
- Staff gear-up grant
- Project acquisition and feasibility grant
- Pre-accreditation grant
- General capacity building grant

## WHO CAN APPLY: ELIGIBILITY?

The following entities are eligible for Social Housing Restructuring Capital Grants:

- New Social Housing Institutions (SHIs)
- New Co-operatives
- Existing accredited SHIs and accredited Co-operatives
- Private Sector Companies
- Public-Private Partnerships (PPP)

## WHAT IS THE CRITERIA FOR APPROVAL?

The Key Criteria for Approval are as follows:

- Good progress in the Provisional designation period (if relevant) including good compliance with the MOU signed in Phase 1.
- 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?



## human settlements

Department:  
Human Settlements  
REPUBLIC OF SOUTH AFRICA

# WHAT IS SOCIAL HOUSING?

## WHO MUST TAKE PART IN SOCIAL HOUSING?

The main roleplayers in Social Housing are:

- The National Department of Human Settlements and its agents:
  - The Social Housing Regulatory Authority (SHRA) and the
  - Social Housing Foundation (SHF).
- Provincial Housing Departments (PHDs) but not allowed to manage and own.
- Municipalities (Can form Municipal Entities to manage and own SH).
- National Housing Finance Corporation (NHFC).
- Social Housing Delivery agents:
  - Accredited SHIs (Co-op's & non-profit)
  - Private sector (for-profit)
  - Public Private Partnerships (PPP)
    - In terms of National Treasury (NT).

## ONGOING MANAGEMENT

Zone Management arrangements should identify a designated RZ Manager (usually a municipal official) who should:

- Help mobilise delivery agents
- Act as key LA liaison person/office in packaging and submitting individual projects for approval
- Facilitate grant disbursement and draw-downs once the NDoHS has made allocation to zones
- Submit annual report which should address progress towards achieving outcomes indicators.

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## Social Housing is defined as:

**A rental or co-operative housing option for low to middle income persons at a level of scale and built form which requires institutionalised management and which is provided by accredited social housing institutions or in accredited social housing projects in designated restructuring zones.**

- Social Housing programme involves a mixture of government grants, private sector funding and equity from whoever develops it.
- It focuses on the involvement of private sector entities interested in the provision of rental housing.
- The programme allows for maximum cross subsidisation from higher/middle income earners to support lower income earners.
- It is a targeted and focused programme, not a mass delivery programme like ordinary RDP Houses.
- It can only take place within demarcated Restructuring Zones for specific restructuring objectives, viz. economic, spatial and social restructuring objectives.

The social housing programme has two primary objectives:

- Firstly, to contribute to the national priority of restructuring South African society in order to address structural, economic, social and spatial dysfunctionalities and thereby contribute to Government's vision of an economically empowered, non-racial, and integrated society living in sustainable human settlements.
- Secondly, to improve and contribute to the overall functioning of the housing sector and in particular the rental sub-component thereof, especially insofar as social housing is able to contribute to widening the range of housing options available to the poor.

