



## **BERGRIVIER MUNICIPALITY**

### **HOUSING ALLOCATION POLICY**

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## DEFINITIONS

**Affordable (GAP) housing project component:** A project component providing subsidised opportunities to households by means of the Financed Linked Individual Subsidy Programme (FLISP) subsidies.

**Catchment area:** The geographic area including farms surrounding a project town designated by the municipality for the purposes of allocation. Each town has a catchment area inclusive of the town's area itself. **Catchment areas will not be overlapping**, but two or more towns may have the same catchment area. All areas in the municipality will fall within a catchment area.

**Housing allocation:** This is where a specific rental unit or new state subsidised house is allocated to a specific applicant who has met the predetermined allocation criteria.

**Allocation criteria:** Allocation criteria are the factors or parameters used in selecting a set of applicants from the Municipality's Housing Database for housing opportunities. The allocation criteria are project specific and aligned to the allocation policy.

**Target community:** A target community is the specific group of potential beneficiaries that may benefit from a new housing project. By implication, the target community is project specific.

**Core household:** The minimum sized household eligible for a housing subsidy, depending on the age and marital status of applicant members of the household as prescribed by the National Housing Code.

**Greenfield, non-relocation project component:** A project component occupying a Greenfield site on which there are no pre-existing, legal occupants, and for which the municipality has discretion to select beneficiaries, provided they are eligible for the subsidy.

**Housing demand database:** A database created by a municipality to store information collected from individuals and households required to select beneficiaries for subsidy housing projects.

**Institutional housing component:** A project component that uses the Institutional Housing Subsidy to provide "rent-to-buy" housing units.

**Location preference:** A data field on the database indicating the area/location in which the individual or household prefers to reside.

**Preliminary list of beneficiaries:** List of households drawn from the municipal database by following the municipal allocation policy, prior to the checking of the eligibility of the households by the appropriate authority (usually the Department).

**Pre-screening:** A rapid assessment of households' eligibility for housing subsidy programmes undertaken by the municipality itself and/or the Department upon submission by the municipality, prior to the assessment of subsidy applications by the Department. Pre-screening done by the Department excludes the checking of prospective beneficiaries against the Deeds Office record, but includes the checking of ID numbers, marital status, income and whether members of the selected households have received a housing subsidy.

Pre-screening by the municipality may include checking selected database entries against the municipality's property register.

**Project:** A project is a government subsidised human settlement intervention that occurs on single site or set of related sites.

**Project component:** Each section of project that has a different mechanism for selecting beneficiaries.

**Project town:** A town in the municipal area in which the municipality has decided to place subsidised housing projects. An urban agglomeration in which subsidised housing opportunities will be located.

**Quota:** A portion of the opportunities available in a project component reserved for households with particular characteristics i.e. people with permanent disabilities, old age and farm residents.

**Registration date ordering:** The ordering of database entries (eligible for the subsidy in question) from earliest to latest registration date for the purposes of selecting beneficiaries for a project.

**The Department:** The Western Cape Department of Infrastructure.

**Town-based extract:** The entries on the municipality's housing demand database resident within the catchment area of the town in question and/or having preference for being located in the catchment area of the town, whatever is specified in the Policy.

**Updating:** The process whereby individuals or households provide information about their current status to the municipality in relation to the characteristics captured on the database for the purpose of updating their information on the database.

**Verification:** The process whereby the municipality checks that the claims made by individuals and households about their status when registering on the database or updating their status are true.

## **1. PREAMBLE**

*The provision of housing is a constitutional mandate, and municipalities in South Africa are ultimately tasked with this sacred duty. Even so, government is faced with financial challenge, and in the face of ever-increasing housing need, the provision of sustainable Infrastructure is rendered hugely complex. Consequently, in the case where housing projects are implemented in the context of huge demand and competing demands, the allocation of housing units is a controversial issue, and often fraught with great difficulty. It gets done by fallible human beings, often influenced by their own preferences and needs. Yet there exists the need to do allocations in a fair and transparent way, for the benefit of the entire community. As a result, we need to develop clear criteria which would facilitate a fair allocation in the context of an excessive demand for limited housing opportunities. This document provides such criteria, by firstly looking at the generic requirements in the Housing Code. In addition, it focuses on a basket of specific criteria which should be used across the municipal area, with sufficient leeway for local permutation and adaptation.*

*In the final analysis another, equally important issue that must be considered herein is the delegated authority responsible for the allocation of houses, in other words, who is entitled to do the allocation of housing units? In order to avoid confusion this issue must also be clarified and gets clarified herein.*

## 2. POLICY INTENT

The main objective of the policy is to set out the relevant processes and procedures that have to be followed when selecting beneficiaries for new housing projects that result in the beneficiary receiving ownership of a subsidised opportunity.

A single project site or set of sites can have a number of project components. Each of the components will be dealt with differently in terms of the allocation of beneficiaries. The Policy covers the following project component types each with its own allocation mechanisms:

- green-field, non-relocation project components for the households eligible for full housing subsidies or serviced site subsidies;
- relocation project components linked to informal settlement upgrade projects;
- institutional and housing project components that result in ownership (including “rent-to-buy” options)

The elements and mechanisms provided for below will be used in each component type as indicated.

## 3. POLICY FRAMEWORK

This Policy has been informed by relevant clauses of the Housing Act, 1997 (Act 107 Of 1997), the amended National Housing Code, the municipality's Integrated Development Plan, the National “Strategy for the allocation of housing opportunities created through the national housing programmes”, and the “Framework Policy for the Allocation of Housing Beneficiaries in owner-based housing projects”, approved by the Provincial Minister for Infrastructure in September 2012.

The above prescripts confer certain roles, responsibilities and obligations on the municipality that enables it to fulfil ~~out~~ its Constitutional mandate at the local sphere.

### 3.1 FUNCTIONS OF:

#### 3.1.1 NATIONAL GOVERNMENT:

National government's role is to formulate policy and develop norms and standards of housing top structures.

#### 3.1.2 PROVINCIAL GOVERNMENT:

Provincial governments promote, co-ordinate and implement housing programmes within the framework of the national housing policy.

#### 3.1.3 LOCAL GOVERNMENT (MUNICIPALITIES):

Municipalities are mainly responsible for the implementation of the housing projects within the framework of the national housing policy.

## 4. APPLICATION OF POLICY

This Policy applies to the allocation of beneficiaries for certain state subsidised new housing projects. A single project site or set of sites can have a number of project components and this Policy covers the following project component types each with its own allocation mechanisms:

- green-field, non-relocation project components for the R0-3500 household monthly income sector;

- relocation project components linked to informal settlement upgrade projects;
- institutional and affordable housing project components that result in ownership (including “rent-to-buy” options)

The elements and mechanisms provided for below will be used in each component type as indicated.

#### **4.1 Mechanisms that apply to more than one project component type**

The elements and mechanisms provided for below will be used in each component type as indicated.

##### **4.1.1 *Balancing of people in overcrowded conditions and informal settlement dwellers across portfolio of projects***

For all project components the number of people in formal overcrowded conditions (backyard dwellers) and informal settlement dwellers receiving subsidised housing opportunities will be balanced against each other. The balancing across the two groups will occur over each successive 5-year period linked to the strategic planning cycle and over the portfolio of housing projects planned and executed in the municipality.

The balancing will seek to equalise the relative access each group enjoys to basic, on-site municipal services. To equalise, the distribution opportunities provided over the period across each of the two groups will be in proportion to the number of households without access to basic, on-site services within each group. The municipality will determine the level of service threshold for “acceptable access” for people living in formal overcrowded (backyard dwellers) conditions to enable this balancing. However, the balancing will as a minimum always consider and be based upon the date of application.

Realistic delivery targets for each of the categories and for the corresponding number and size of project components will be set out in municipal plans (IDP, Human Settlement Plan (HSP)) and reported upon in the corresponding annual and multi-year reports.

##### **4.1.2 *Use of the municipal demand database and link between allocation and subsidy approval***

For the project components where the database is used in allocation, except relocation components, only the database entries of the municipal database indicated as eligible for the relevant subsidy instrument based on information on the database will be considered for allocation.

The allocation status of an entry selected from the database is preliminary until its subsidy application is approved by the Department or appropriate authority. Before submitting subsidy applications for approval, the municipality will undertake pre-screening. After pre-screening by the Department and before subsidy approval by the Department, *the list of successfully pre-screened entries will be processed by the municipality (Head: Housing) and considered for approval by the Director Community Services where after it could be made public.*

##### **4.1.3 *Registration date ordering***

Registration date ordering refers to the process whereby all database entries considered eligible for the project component are arranged from the earliest registration date to the latest registration date,

and households selected as beneficiaries in that order. Registration on the database shall be done by the completion of a housing application form provided by the municipality.

## 4.2 Green-field, non-relocation project components

### 4.2.1 General Mechanisms

For each project town, the municipality will define a catchment area. Each project town will have a catchment area which will be clearly defined on a map of the municipality. Catchment areas may be overlapping, and two or more towns can have the same catchment area. Every area in the municipality will fall within a catchment area.

Annexure 1 of this Policy contains a list of all project towns. Where applicable the suburbs and other settlements identified as residential areas on the database that are considered part of a project town are indicated. The municipality will use the extract of the database which is resident in the catchment area of the project town for allocation in the project component. Map 1 indicates the geographic extent of the catchment areas.

Quotas referred to in *this policy* will apply to that extract of the database *who are* resident in the catchment area of the project town for allocation in the project component.

## 5. POLICY PRINCIPLES

The following guiding principles are applicable to the policy:

**Equity:** all persons must have an equal opportunity in applying for housing assistance.

**Transparency:** any person must be able to have reasonable access to the Beneficiary Allocation Policy and the process of selecting and ranking database entries for a housing opportunity.

**Functionality:** the policy must be practical and understandable.

**Social cohesion:** the spirit of this policy is to minimise social conflict and optimize development progress.

**Access:** the Beneficiary Allocation Policy must be applied to enhance easier access to housing opportunities.

**Integration:** the Beneficiary Allocation Policy should be implemented in a manner that promotes integration within the municipality.

## 6. MUNICIPAL HOUSING DEMAND DATABASE

*The municipality will maintain a housing demand database, as prescribed by the Department of Infrastructure. Every citizen that qualifies for registration can apply to enter their details on the Housing Demand Database. The following will be the guiding principles in the maintenance of the database:*

### 6.1 Assigning registration dates to new entries on the database

A registration date will be given to each individual who completes the necessary documentation required to be entered onto the database, provided that the individual:

- does not own fixed property;
- is a minimum of 18 years old with financial dependants; and
- is a SA citizen or has permanent residence in South Africa

The registration date is the date on which the municipality accepts the documentation submitted for registration on the database as being complete. The municipality will communicate the registration date to the individual and provide him/her with documentary proof of that date. The registration date will remain constant until the individual receives an ownership-based housing opportunity.

## 6.2 Data fields on the database

The municipality will populate at a minimum the following data field in its database.

### 6.2.1 *For households with one adult in the household core:*

- Name and ID number of the adult
- Registration date
- Residential address (according to standardised naming convention operational in the municipality)
- Location preference (in terms of towns listed on the housing demand database)
- The names and ID numbers of all permanently disabled members in the household, where permanent disability is defined and determined by the South African Social Security Agency (SASSA)
- Number of financial dependents within the household, and their ID numbers and or their full birth certificate
- Whether a current or former farm resident, address of farm, employer/farmer where applicable and period and dates of residency on the farm
- Whether currently a 'backyard dweller' on a formal erf
- Whether currently resident in an "informal settlement"
- Gross monthly income
- Marital status
- Whether owns property or not
- Whether will apply for a mortgage and a FLISP subsidy
- Telephone/cell phone contact number

### 6.2.2 *For households with two adults in the household core:*

- Fields provided in 4.2.1 (c), (d), (e) (f) and (l) as specified above applied to the household
- Name and ID number of each of the two adults
- Relationship between the two adults
- Registration date of the household, which will be i) the earlier of the two adults' registration dates if the municipality already has both of them separately on record as being registered previously, or ii) if municipality has neither of the adults on record as registered, the date described in 4.1 as applied, or iii) if the municipality already has one of them separately on record as registration, that registration date.
- Gross monthly income of each of the two adults
- Joint gross monthly income of the two adults

- g) Whether each of the adults currently or used to be a farm resident, and, if so dates and period of residence on a farm, address of farm, employer/farmer where applicable
- h) Whether each of the adult's own property
- i) Landline or cell phone contact number of each adult
- j) Whether currently a "backyard dweller" on a formal erf
- k) Whether currently resident in an "informal settlement"
- l) *Number of dependents within the household, and their ID numbers.*

Individuals and households registered on the database of Bergrivier Municipality may change their town of preference within the Bergrivier area at any time, with written notice to the municipality and without any impact on their dates of registration, provided that requests to change the town of preference is due to normal relocation circumstances (if applicants move due to work and living circumstances), and occur within a format determined by the municipality, but qualification of such beneficiary for a particular project will always be subject to the qualifying criteria of 40-year **8 years** residency in the catchment area of the project town as provided for in clause 4.2.1.

Cohabitants who are registered separately on the National Database will receive one allocation as a family. In the case where a couple divorces, the housing waiting list application date will be transferred to the person in whose care the financial dependents are placed.

### 6.3 Supporting documentation for registration and updating

The municipality will collect the following documentation during registration and updating.

6.3.1 Information to check eligibility for the range of subsidy instruments available in National Housing Code, and entrants should provide the following:

- Payslips;
- certified copy of ID book of self, other adult and minor dependents (underage of 18) in the household;
- marriage *status and* certificates; and
- in the case of foster children, a valid Court order.

6.3.2 *Information to verify claims by individuals/households about allocation status*

The municipality will make use of the following means of verification to verify claims made by individuals that they have permanent disabilities:

Group	Interim source of verification
Eligible household with at least one adult having a permanent disability (according to SASSA's definition)	Original or certified copy of permanent disability grant approval and latest review outcome letter from SASSA (not older than 5 years)



Household with an adult caregiver of a permanent disabled minor or financial dependent receiving Care Dependency Grant	Original or certified copy of Care Dependency Grant approval and latest review outcome letter from SASSA (not older than 5 years)
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#### 6.4.1 Quota for households containing adults of 60 years and older in the *household* core

A quota of 65% of opportunities will be set aside to prioritise households containing at least 1 adult of 60 years or older in the core of the household provided that:

- a) The person resides within the catchment area of the Bergvriër Municipality for at least the past ~~40 years~~ **8 years** consecutively (provide proof of employment, clinic, medical doctor or financial institution, letter from employer); and
- b) The person is 60 years and older; and
- c) The person is registered on the database for at least ~~five (5) years~~ **three (3) years**.

#### 6.4.2 **Quota for households affected by permanent physical disability**

A quota of 20% of the opportunities in the project component will be set aside to prioritise households affected by “permanent physical disabilities” provided that:

- a) The person resides within the catchment area of the Bergvriër Municipality for at least the past ~~40 years~~ **8 years** consecutively (provide proof of employment, clinic, medical doctor or financial institution, letter from employer, proof of library membership, proof of local clinic record)
- b) They have been registered on the database for at least ~~five (5) years~~ **three (3) years**; and
- c) That proof of “permanent disability” as defined and determined by the South African Social Security Agency (SASSA) has been provided.

#### 6.4.3 **Quota for Military Veteran applicants**

Preference shall be given to the abovementioned applicants with earlier dates of registration. We shall follow the guidelines and prescripts of the DMV and according to the MOU signed by the DoI and the DMV as on 7 February 2012.

A quota of 15% of the opportunities will be prioritise for registered military veterans providing that:

- The person resides within the catchment area of the Bergvriër Municipality for at least the past ~~40 years~~ **8 years** consecutively (provide proof of employment, clinic, medical doctor or financial institution, letter from employer)
- Comply with the basic requirements;
- The person is legally registered with the SADF (confirmation letter from SADF);

- The person resides within the catchment area of the Bergrivier Municipality for the past 40 8 years (provide proof of employment and or municipal account and or financial institution); and
- If this quota has been depleted the balance will be transferred firstly to the quota for group 60 years and older, and thereafter handled in accordance with 6.4.4 below.

#### 6.4.4 Allocation when Applications in the Priority Categories Are Depleted

In the event that the numbers of applicants are depleted in the priority categories described above, the remaining available units in a given housing project will be allocated to the age category 55-59 years. In turn, in the event that the aforesaid category of 55-59 years is depleted, that the remaining beneficiaries of a relevant project be drawn from the following categories:

6.4.4.1 50– 54 years of age, and, from the category

6.4.4.2 45 – 49 years of age and thereafter, when depleted from

6.4.4.3 40 – 44 years of age.

However, before any beneficiary in the age cohort below 60 years of age can be considered for allocation, such beneficiary must reside within the catchment area of the municipality for a period of at least 15 years consecutively, and the proof to this effect must be submitted in accordance with clause 6.4.1 – 6.4.3 (a) above. In addition, apart from all the other relevant qualifying criteria in terms of the National Housing Policy that will remain applicable, the beneficiary must be registered on the National Housing Database for no less than a period of 3 years.

#### 6.4.5 Relocation project component type: (Informal settlement)

The Municipality will use one of four methods, or some combination of them for identifying households for either relocation or remaining in an informal settlement which is targeted for upgrade:

- a) ordering according to the duration of residence in the informal settlement; and or
- b) ordering according to the registration date of households in the informal settlement; and or
- c) ordering according to the age of adults in the core of the household; and or
- d) allocation of households according to their relative location to public infrastructure and public facilities planned for informal settlement upgrade.

##### 6.4.5.1 *Certain methods used where there is a difference in level of service between beneficiaries remaining on site and those relocated*

In a relocation situation, where there is a significant time difference between when those households remaining on the upgraded site and those being relocated will receive housing opportunities, or where there is a difference in the level of service for each group, the municipality will try to use methods a), b), or c) or d) or some combination of them. Those who have been residing for the longest period in the informal settlement and have the earliest registration dates will be selected within the upgrade project.

## 6.6 Institutional and affordable housing (GAP) project component type

- 6.6.1 Housing institutions and developers making use of government subsidies will not be allowed to run their own allocation processes without the input or consent of the municipality provided that these processes are reasonable and fair.

The Municipality shall provide the developer with a list of names from its database and the developer would then screen those entries in date order whereafter the developer can advertise the opportunities on the open market.

- 6.6.2 *Projects open to all qualifying across the municipality*

The municipality should ascertain that the allocation processes run by housing institutions or developers are adequately understood by the citizens of the municipality and uniformly applied across the municipality by the housing institution or developer. All the citizens in the municipality who meet the housing institutions or developer's entry requirements should potentially be able to benefit.

- 6.6.3 *Registration date ordering applied by municipality on developer's list where effective demand is greater than supply*

Where the number of the individuals/households meeting the housing institution or the developer's minimum allocation criteria is greater than the number of units supplied in the project component in question, further allocation of individuals/households on the housing institution or developer's list should occur in order of registration date.

## **7. INSTITUTIONAL ARRANGEMENTS**

The responsibilities laid out below pertain to all project component types, except where indicated.

### **7.1 Council / Council Structures**

The Council is responsible for:

- adopting and reviewing, by resolution, the Municipality's Housing Allocation Policy
- Monitoring the implementation of the Housing Allocation Policy (oversight)
- **No Council / Council Structures / councillor** will in anyway be part in the decision of the allocation of housing opportunities.

### **7.2 Municipal Manager**

The Municipal Manager is responsible for:

- implementing this Allocation Policy
- will consider all comments and appeals in terms of this policy
- delegation of roles and responsibilities for implementation of this policy.

### **7.3 Director of Community Services is responsible for:**

- Ensuring that the Allocation Policy is being implemented in each project
- Reporting to the Portfolio Committee for Technical Services on a monthly basis on all progress made with the housing projects
- Approve the final proposed list of beneficiaries.

### **7.4 Project Committee / Social Compact (Informal Settlement)**

The municipality will establish a Project Committee/Steering Committee of no less than five (5) and not more than nine (9) people which will be elected at a public meeting called by the municipality with the community / residents in the project area / town. The terms of reference for the Project Committee/Steering Committee will be developed by the Director: Community Services.

## **7.5 Channel for objections to preliminary allocation**

- 7.5.1 After the municipality has considered and approved the final list of beneficiaries, any affected party will have 14 days to raise any objection to the Municipal Manager.
- 7.5.2 The objection must be raised on the prescribed form (Annexure 3) and must contain:
- i. The objection
  - ii. The motivation for the objection
  - iii. *The name and contact details of the person submitting the objection.*

## **7.6 Contractor or implementing agents**

Contractors or implementing agents, including Professional Resource Teams *or consultants*, will play no role in the allocation *process*, except, at the request of the municipality, to contact individuals or households who have been selected in any primary allocation process.

## **7.7 Communication of the Policy**

The municipality will take responsibility to communicate and explain the Allocation Policy to the beneficiaries of a *project in public meetings scheduled for this purpose*. The responsibilities of the residents to register and update information will be made clear, and the consequences of not fulfilling these responsibilities will be explained.

The full policy will also be available on request for reading in the offices of the Housing Department of the municipality, *and otherwise will be published on the municipal website*.

## **8. OTHER MATTERS**

### **Projects making use of the National Housing Programme for Farm Residents**

Where a private landowner makes use of farm residents' subsidies by agreement with the municipality in a project located on the owner's land, or where the owner's land is transferred to a housing institution for the project, the landowner will determine the method through which the qualifying households are selected for the project.

## **9. CONCLUSION**

It is envisaged that this policy will greatly assist in guiding the municipality in implementing a fair allocation process. By its very nature, this policy must adapt to changes made at national and provincial level. In addition, it must be able to respond to changing circumstances and novel challenges. As a result, it must be a dynamic policy, which should be regularly reviewed and updated.

**Annexure 1:**

**Project Towns**

<b>Project Town</b>	<b>Description of catchment area</b>
Piketberg	Surrounding Farms
Porterville	Surrounding Farms
Velddrif	Aurora and Surrounding Farms
Redelinghuys	Surrounding Farms
Eendekuil	Surrounding Farms
Aurora	Surrounding Farms
Wittewater	n/a
Goedverwacht	n/a
Moravia	n/a

**Annexure 2:**

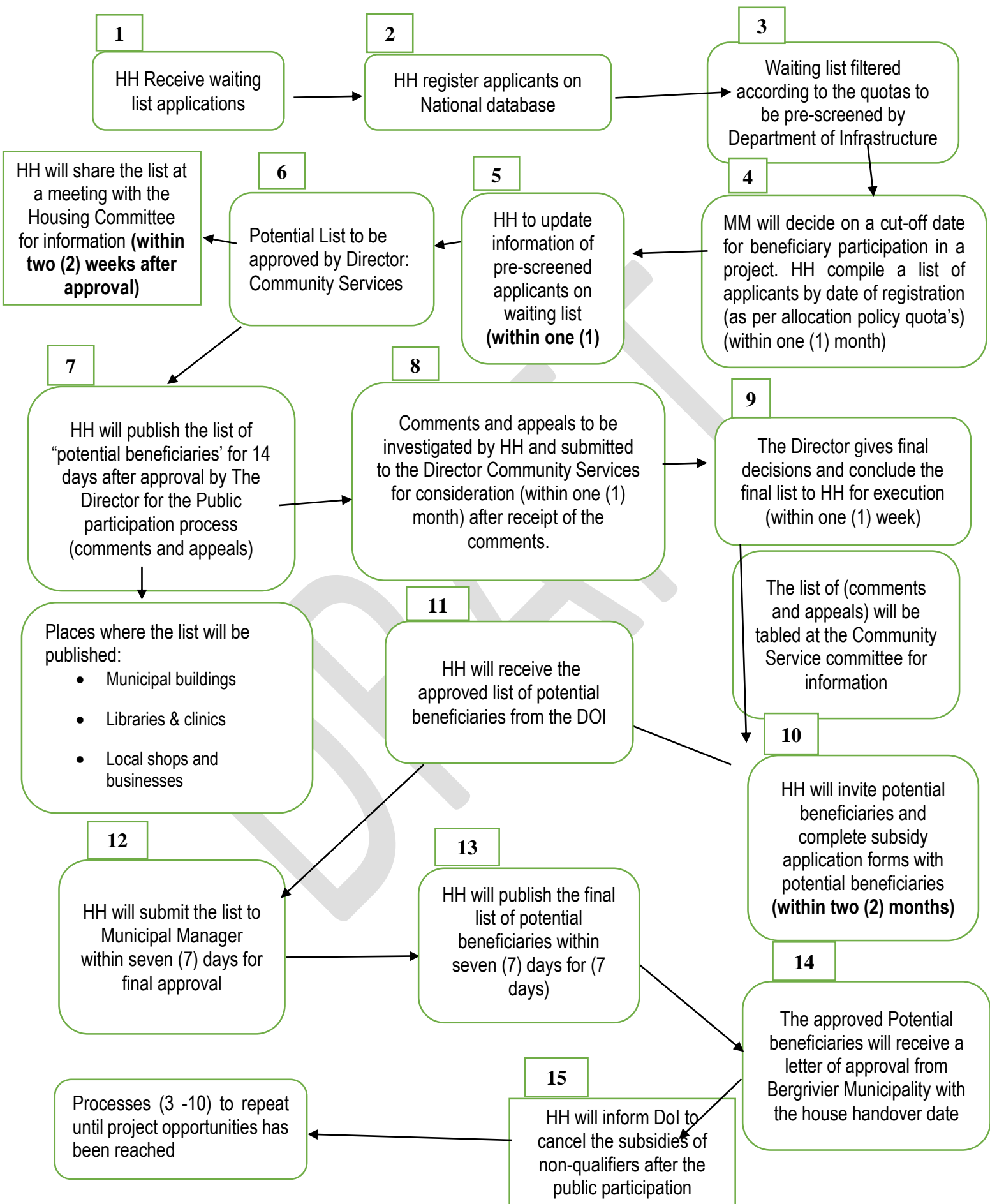
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## FLOW DIAGRAM OF ALLOCATION PROCESS





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