

City of Cape Town

# HOUSING ALLOCATION POLICY

2009

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<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
<b>DEFINITIONS</b>	<b>3</b>
1. Preamble	5
2. Policy Prescripts and Provisions	5
2.1. Policy Intent	5
2.2. Policy Framework	5
2.3. Overall Policy Principles	6
2.4. Institutional Arrangements	6
2.4.1. Allocation Committee	6
2.4.2. Project Steering Committee	6
2.4.3 The City's Housing Database Information Section	7
2.4.4. The Provincial Housing Department (PHD)	7
2.4.5. The National Department of Housing (NDoH)	7
2.4.6. The Project Manager	8
2.5. Application of the Policy	8
2.5.1. Existing Rental Housing	8
2.5.2. New Housing Projects	11
2.5.3. Allocations that fall outside the scope of this policy	12



## DEFINITIONS

**“Affordable or GAP housing”** – Affordable or GAP housing focuses housing delivery for beneficiaries with a monthly household gross incomes ranging between R3 501 to R10 000 (or as may be amended from time to time).

**“Social Housing”** - Housing constructed by the City’s social housing partners in terms of the national social housing policy.

**“Emergency Housing”** – Temporary housing for households who find themselves in defined emergency circumstances.

**“The Aged”** – persons who are sixty years and older.

**“Backyard dwellers”** - are persons/families resident in formal developed areas in overcrowded living conditions in need of their own housing.

**“Hostels”** – Hostels include units historically developed to accommodate migrant workers. The City only allocates hostels that have been upgraded.

**“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 selection criteria for that dwelling or project.

**“Housing database”** - The Housing Database is the City’s integrated housing database comprising the consolidation of all the legacy waiting lists or housing databases and lists of all those people who were victims of fires or floods and who were registered by the City. It also includes the persons who registered in the National Housing Registration drive undertaken in December 2005 and January/February 2006 by Nkonki Consultants.

**“Housing waiting list”** – Housing waiting lists are subsets of the housing database.

**“Housing programmes”** – Housing programmes are housing projects as undertaken by the City and may reflect various funding mechanisms available to the City in terms of the National Housing Code

**“Informal settlements”** - Informal settlements are defined as settlements, which may present different forms of informality in relation to urban development. The occupation of the land usually takes place with informal structures being erected without formal authorisation.

**“In situ upgrading”** – This is a process where a settlement is upgraded in its existing location.

**“Old Age Rental units”** – Units which have specifically been developed to accommodate senior citizens (60 **years** and older with certain income levels)

**“Project Steering committee”** – A project committee is established when a new housing project is planned consisting of all the stakeholders who buy-into the project by adopting and signing a memorandum of understanding. Project committees are instituted in accordance with approved Council policy.

**“Rental Housing”** – Units (Flats and cottages) historically developed to accommodate persons displaced in terms of the former Group Areas and Slums Act as well as the housing for the City’s needy and will also include any new housing stock developed for the rental market.

**“Selection criteria”** - Selection criteria are the factors or parameters used in selecting a set of applicants from the City’s Housing Database for housing opportunities. Each housing project shall have its own set of selection criteria.

**“Special needs”** – This refers to housing interventions and special considerations to assist persons who are inter alia visually or physically impaired, military veterans and special witness protection programme cases.

**“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.

**“Tenure”** - Tenure is the relationship, whether legally or customarily defined, among people, as individuals or groups, with respect to rights over buildings and/or land. The rules of tenure define how access is granted to rights to use, control, and transfer land, as well as associated responsibilities and restraints.

**“Transfer list”** – The list consists of tenants’ names in date order, requesting inter alia either smaller or larger accommodation depending on their family needs.

**“Vulnerable groups”** - women-headed households, persons affected and infected by HIV/Aids.

## **1. PREAMBLE**

The City's existing Housing Allocation Policy was adopted by the Housing Portfolio Committee on 11 August 2004 and approved by Mayoral Committee on 6 October 2004. Recent amendments to the National Housing Code, which guides the way in which Provinces and Municipalities implement housing policy, and in particular the introduction in September 2008, of the National Housing Allocation Guidelines by the National Department of Housing (NDoH) has necessitated a review of the Policy.

Furthermore, the inclusion of the Integrated Residential Development Programme (IRDP) as part of the amendments to the Code, introduced new challenges, not only in the way the City plans and implements its housing projects, but also in the way existing waiting lists and/or housing demand databases are being managed.

## **2. POLICY PRESCRIPTS AND PROVISIONS**

### **2.1. POLICY INTENT**

The main objective of the policy is that it sets out the relevant processes and procedures that has to be followed when selecting tenants when vacancies occur in existing rental stock, and the selection of beneficiaries for certain new housing developments.

A further objective of the policy is that it advocates a project specific balance of beneficiaries between backyarders and people living in informal settlements.

### **2.2. POLICY FRAMEWORK**

This policy has been enhanced within the framework of the relevant clauses of the Housing Act, 1997 (Act 107 Of 1997), amended National Housing Code, the City's Integrated Development Plan, the Five Year Integrated Housing plan of the City and the recently approved National Guidelines for the Allocation of Housing Opportunities created through the Integrated Residential Development Programme.

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

## 2.3. OVERALL 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 allocation policy and the process in selecting and ranking applicants 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 optimise development progress.
- Access:** the housing allocation policy must be applied to enhance easier access to housing opportunities.
- Integration:** the allocation policy should be implemented in a manner that promotes integration into the City.

## 2.4. INSTITUTIONAL ARRANGEMENTS

The following role players have been identified and may be involved in the identification, selection and approval of beneficiaries in new housing projects, amongst others:

### 2.4.1. THE ALLOCATION COMMITTEE

The Allocation Committee comprises of *two nominated officials* from the City and the Provincial Department of Housing *respectively*, and its establishment arises from proposals made in the National Allocation Guidelines of the National Department of Housing. Essentially it will monitor the selection of potential beneficiaries according to the project-specific criteria.

### 2.4.2. THE PROJECT STEERING COMMITTEE

- 2.4.2.1. ***For each new housing and Informal Settlement Upgrade development the City would ordinarily place an advertisement in the local community newspapers and municipal offices calling on interested parties to be part of the establishment of a Project Steering Committee. This committee will be elected at a public meeting called by the City and will comprise representatives from the following stakeholders:***

- (i) Officials from the City of Cape Town (**one of whom to be elected chairperson**);
- (ii) The affected beneficiary community;
- (iii) Councillors and sub-council; and
- (iv) Project consultants

2.4.2.2. The Project Steering Committee will recommend to the **Executive Director: Housing** a list of potential beneficiaries for approval in terms of the latter's current delegations and in addition, will play an advisory role and facilitate effective communication between the City as developer and the approved beneficiaries for the duration of the project. Once approved by the **Executive Director: Housing or his/her nominee**, the recommended list of potential beneficiaries must be ratified by the Mayoral Committee member for Housing.

#### 2.4.3 THE CITY'S HOUSING DATABASE INFORMATION SECTION

2.4.3.1. This section is responsible for administering the integrated housing database and is responsible for providing lists of names for allocation to housing offices and project steering committees. It must also ensure that information is regularly uploaded to the Housing Subsidy System and National Housing Demand Database at the National Department of Housing.

2.4.3.2. The maximum household incomes for qualifying beneficiaries will be the limit determined by the National Department of Housing from time to time.

2.4.3.3. Members of the public wishing to place their names on the housing database are encouraged to call at any of the housing offices to complete the required application form.

2.4.3.4. Councillors, sub-councils and NGOs or any other individuals or community organizations shall play no role in the procedures relating to the issuing of housing application or housing subsidy application forms or in the allocation of houses in new housing projects except as members of the specific project committee.

#### 2.4.4. THE PROVINCIAL DEPARTMENT OF HOUSING

The Provincial Housing Department is responsible for the process that qualifies potential beneficiaries for housing subsidies from the list of beneficiaries submitted by the Project Manager.

#### 2.4.5. THE NATIONAL DEPARTMENT OF HOUSING

The National Department of Housing is responsible for administering the Housing Subsidy System and National Housing Demand Database and may appoint external auditors to investigate a particular allocation process if of the opinion that such a measure is justified.

#### 2.4.6. THE PROJECT MANAGER

The Project Manager is responsible for managing all aspects of the new housing development including liaising with the Allocation Committee, Municipal officials, Province and the Project Steering Committee on matters relating to beneficiary allocation, selection and approval, amongst others.

### **2.5. APPLICATION OF POLICY**

This policy applies to the selection of applicants for vacancies in rental housing and also the identification and selection of beneficiaries for certain state subsidised new housing projects.

#### **2.5.1. RENTAL HOUSING**

The City of Cape Town manages approximately 44 200 rental flats and cottages, fifteen old age complexes and a number of unconverted hostels across the Metro.

##### **2.5.1.1. SELECTION OF NEW TENANTS**

- (i) The approved single integrated Housing Database is to be used, without exception, when filling vacancies in all areas;
- (ii) Applicants will be selected according to their date of application as recorded on the Housing Database .i.e. applicants with the earliest date will be assisted first;
- (iii) Applicants can be allocated in their area of choice provided that the allocation is done in date of application order;
- (iv) Applicants may change their area of choice at any time;



- (v) Applicants must be in possession of a valid South African green identity document or produce proof of permanent residency status and must have the legal capacity to sign a contract;
- (vi) Applicants who have previously owned property or who have previously benefited from a state housing subsidy shall only be accommodated in non-saleable rental units;
- (vii) Applicants must not be property owners at the time of allocation;
- (viii) Applicants whose gross monthly income (including income of spouse/partner) exceed R7000,00, and as amended by the National Department of Housing from time to time will not qualify for rental accommodation;
- (ix) Single persons without dependants can be considered for appropriate rental accommodation (unit size to fit applicant's status);
- (x) Allocations cannot be made according to family size and composition. Applicants, who appear at the top of the Housing Database and are in desperate need of housing, may be allocated smaller units, subject to their written agreement thereto;
- (xi) As far as possible every effort will be made to accommodate elderly, and applicants with severe disabilities on ground floor or first floor units in multi-storey flats;
- (xii) The City reserves the right to introduce a right-sizing option according to family composition, special needs and vulnerable group criteria

#### 2.5.1.2. TRANSFERS REQUESTS OF EXISTING TENANTS

Transfers arise when existing tenants submit requests to move to other rental units. The following criteria are applicable:

- (i) Requests for transfers will be integrated with the Housing Database, with the relevant notation which means that allocations will then no longer be area-based;
- (ii) Unauthorised swapping of dwellings by tenants will not be allowed under any circumstances. Should such unauthorised action come to the attention of Council, then the latter shall reserve its right to cancel the existing lease agreements of the parties involved and take further action in terms of the City's Unlawful Occupation Policy;

- (iii) Tenants who are suspected of, or who have had reports of anti-social behaviour against them in the past, may have their request for a transfer turned down;
- (iv) Tenants who previously owned property or have previously received a housing subsidy shall still qualify for a transfer to non-saleable rental housing;
- (v) Tenants who are property owners will not be considered for a transfer but will be dealt with in terms of the Eviction/ Contravention of Lease Policy;
- (vi) Tenants gross household monthly income should not exceed R7 000,00
- (vii) Unlawful occupants will not be considered for a transfer but will be dealt with in terms of the Unlawful Occupation Policy;
- (viii) Requests for priority transfers to ground floor accommodation may be considered under the following circumstances:
  - Where the tenant and/or spouse are 60 years or older;
  - Where the tenant or a member of the family, has a severe disability such as an amputee, wheelchair bound, permanent paralysis or complete blindness.

### 2.5.1.3. OLD AGE RENTAL UNITS

The following additional criteria are applicable for units in old age homes:

- (i) The current list of applicants for accommodation in old age homes should remain open and be incorporated into the Housing Database as a special waiting list or sub-set;
- (ii) Allocations shall be effected in date of application order;
- (iii) Applicants must be 60-years or older;
- (iv) Applicants must be South African citizens with a valid green identity document or have permanent residency status
- (v) Applicants and/or spouse/partner must be physically able to care for themselves and must have the legal capacity to sign a contract;
- (vi) Applicants shall not be restricted to those who receive state old age grants only;
- (vii) Applicants must have their health status confirmed in writing by a medical practitioner;

- (viii) Applicants who previously owned property or have previously received a housing subsidy can be considered for allocation;
- (ix) Applicants who are currently registered property owners will not be considered for allocation;
- (x) Applicants and spouse/partner's gross monthly income should not exceed R7 000,00.

#### 2.5.1.4. UNCONVERTED HOSTELS

The process and procedure for allocation in unconverted hostels is dealt with in terms of the erstwhile Hostel Redevelopment Programme and once converted, will be dealt with in terms of the provisions of this policy.

### 2.5.2 NEW HOUSING DEVELOPMENTS

#### 2.5.2.1. SELECTION OF BENEFICIARIES

- (i) The selection of beneficiaries will be done on a project-specific split between residents living in informal settlements and applicants identified as 'backyard dwellers' and those in overcrowded conditions on the City's housing database.
- (ii) The prevailing qualification criteria as established by the National Department of Housing will apply;
- (iii) Once the percentage split for backyard dwellers and those in overcrowded conditions have been **determined**, i.e. the percentage allocation that must come from the City's housing database, the following sub-splits (also based on an agreed percentage) are proposed:
  - Priority for those applicants living in areas that are within **a determined** radius of the proposed development and who have been on the housing database the longest;
  - applicants that fall outside the above radius who have been on the housing database for longer than those in the above category;
- (iv) Special consideration may be given to vulnerable groups and special needs cases;

- (v) Applicants from the housing database will be selected strictly in date of application order;
- (vi) The details of selected beneficiaries must also appear on the National Department of Housing's National Housing Demand Database;
- (vii) The approved beneficiary list recommended by the Project Steering Committee for a specific project, must be made public for a reasonable time in the affected community for comment before submitting for approval to Province; and
- (viii) Applicants currently on the City's database may appeal their omission from selection for a project but, only on the grounds that due process had not been followed. Such an appeal must be directed to the City Manager in terms of Section 62 of the Municipal Systems Act, No 32 of 2000.

### **2.5.3 ALLOCATIONS THAT FALL OUTSIDE THE SCOPE OF THIS POLICY**

(i) Affordable or Gap Housing

Allocations are not prescribed by the City and are based on the agreement with the relevant financial institution. In terms of current arrangements the City undertakes to make land available to the institution at a value determined by the City and the institution undertakes to make loans available to qualifying applicants.

(ii) Social Housing

Allocations are not prescribed by the City and are based on the agreement with the relevant social housing partner. The social housing partner may approach the city for names from the City's housing database.

(iii) Emergency Housing

Allocations are done according to the provisions of the Emergency Housing policy and it provides relieve to the plight of households who find themselves in emergency situations with exceptional housing need' e.g. those affected by severe flooding and devastating fires.