
REVISED HOUSING ALLOCATIONS POLICY FOR THE CITY OF JOHANNESBURG

1. Policy intention

The Revised Allocations policy for Housing replaces the Housing Allocations Policy that was approved for the City of Johannesburg in 2002 and the Policy Regarding Succession of Tenancy for letting Housing Units approved in March 1994. The objective of the original policy was to facilitate access to housing opportunities for the 'constituents' of the City. The policy however has not been able to adequately respond to the housing delivery challenges being experienced within the City of Johannesburg. Amongst these challenges have been the illegal subletting of units by tenants, addressing the housing needs of 'non-qualifiers' and issues of succession. In addition changes in the housing policy and implementation environment at the national, provincial as well as local level necessitates a revision of the City's housing policy.

In 1996 the Provincial Housing Department undertook the implementation of a waiting list database system for the Gauteng Province. At that time potential housing subsidy beneficiaries were invited to register to be on the Provincial waiting list. The waiting list was essentially a database system used to allocate houses to households that applied for the government's housing subsidy. Subsequently the City of Johannesburg, Housing Department also advised applicants who were registered on the City's rental housing database to register on the Provincial waiting list.

The waiting list however has not been a very effective tool to address housing allocations in the Province. According to the Provincial Department of Housing the following are issues that impacted upon the effectiveness of the waiting list:

- Municipalities prioritised communities that are not on the waiting list, because of emergency circumstances eg. living below the flood line, on dolomitic conditions etc
- Households on the waiting list could not afford the R2 479 financial contribution that was required by government
- Communities in areas where housing projects were planned were not always on the waiting list
- Housing planning and delivery in the Province was not able to meet the demand as reflected on the housing waiting list, and the expectations that had been created
- The waiting list was not able to adequately accommodate households that required rental tenure options
- Municipalities and Province were not adequately maintaining the waiting lists
- The data inputted into the original waiting list was incomplete and / or incorrect

- Some of the individuals on the database could not be traced
- Province did not remove households from the database that had benefited from the subsidy in housing projects.

Given these problems the Provincial Department of Housing has announced that the Provincial housing waiting list is to be converted into a housing demand database. The revised allocations policy accommodates the objectives of the provincial database, especially with regard to allocations in new housing projects.

The Revised Allocations Policy for Housing aims to ensure that citizens and residents of the City of Johannesburg, especially those with lower incomes are able to access housing opportunities that materialise within the City. The policy provides a framework to ensure that the various households are able to access a varying range of available housing opportunities (either rental or ownership) that they may desire.

In 2005, the National Department of Housing extended the income limit for government assistance with the introduction of a new mechanism that will assist first time home buyers who earn between R3 501 and R7 000 per month, to obtain home loans by means of a Government subsidy which will be linked to the deposit required by financial institutions. On the basis of the improved housing affordability and enhanced access to credit, households earning between R3 501 and R7 000 per month will now be able to afford a range of housing options that would become available either through the newly built or the secondary markets. The subsidy, together with the deposit, will enable the applicant to make a down payment on a bond for the acquisition of an existing improved residential property or to acquire a serviced residential stand that is linked to financing a house-building contract with a registered home builder.

It is estimated that the housing backlog within the City of Johannesburg is approximately 360 000. This includes households in informal settlements, backyard rental/ rooms as well as potential displaced hostel residents. The backlog figure however excludes subsidised housing demand that may exist among adequately housed, but subsidy eligible households – for instance, domestic workers currently residing on their employer's property. Such households are entitled, in terms of the subsidy guidelines, to state subsidised housing.

According to the Provincial waiting list database from 1996 – 2005 approximately 211 221 households registered for a housing subsidy and housing opportunity in Johannesburg. This represents 37.7% of the total number of households that had registered during this period in Gauteng. It is not clear however how many people that had registered have actually accessed a housing subsidy and are living in a government subsidised house in the City.

In instances where the housing delivery programme in South Africa has been compromised in terms of fraud and corruption, the housing allocations process has

been one of the areas that have been most vulnerable. This policy thus attempts to provide the parameters within which housing allocations need to be implemented in the City, thereby reducing the potential risks for mal administration and corruption.

2. Scope of the policy

2.1 The policy provides a framework for addressing housing allocations on projects where the City of Johannesburg, Housing Department is the developer and where the City has entered into agreements with other stakeholders for example the Provincial Department of Housing, to undertake the allocations component on projects where the Province is the developer.

2.2 The policy addresses allocations to a range of housing programmes being implemented by the City, including informal settlement upgrading, mixed development, council owned rental stock, accommodation for senior citizens, hostels and emergency accommodation.

2.3 The policy also seeks to provide for the utilisation of systems to address the backlog and demand for housing. This would include utilising the provincial housing demand database to assist in the planning of targeted housing delivery as well as directing households to housing opportunities being implemented by other role players in the City, through the establishment of a housing opportunities data base.

3. Objectives

The objectives of the policy are:

- To assist in the prioritisation of housing applicants;
- Through the housing demand database to have relevant and accurate data for housing planning;
- To ensure that people living in special circumstances, e.g. in life threatening circumstances, condemned or over crowded buildings or people evicted or facing eviction from land and buildings are prioritised;
- To address the 1996/1997 waiting list as per the MEC's directive;
- To serve as a proactive measure against corruption, fraud and mal-administration; and
- To ensure a well co-ordinated and integrated City wide housing allocation policy.

4. Principles

The policy should:

4.1 Ensure fairness and equity as far as possible through its application and implementation;

4.2 Facilitate transparency, in that any individual will be able to inspect that the procedures implemented in the allocation of housing opportunities are not unfair, corrupt or discriminatory; and

4.3 Facilitate social inclusion and integration, where possible.

5 Housing Eligibility

The National Housing Subsidy programme requires that the following criteria is met in order to be eligible for a housing subsidy:

- Married /or be habitually cohabiting
- If single must have dependents
- Must be a lawful resident of South Africa
- Be competent to contract
- Monthly household income not exceeding R7000 per month
- Not yet benefited from government funding
- First time property owner

In addition in Gauteng, an additional criteria for the allocation of housing opportunities is that you must be an applicant on the provincial waiting list. The application of the criteria however was not practiced in all circumstances eg: informal settlement upgrading and relocation. Further the MEC for housing in Gauteng has also issued a directive that the applicants on the 1996/97 waiting list be prioritised.

6. Eligibility and allocations on particular projects:

6.1. Upgrading of informal settlements programme

Notwithstanding the above criteria for subsidy eligibility some of the housing programmes have exceptions. In the upgrading of informal settlement programme the eligibility criteria as previously mentioned is not applicable. And in these projects in terms of the National Upgrading of Informal Settlements Programme opportunities for housing, can be allocated to households that do not meet the above criteria (normally referred to as non-qualifiers).

6.1.1 Households living in informal settlements, and who qualify in terms of the housing subsidy criteria will be prioritised with regard to housing allocations,

6.1.2 In implementing allocations the 'block by block' approach will be utilised, so that allocations is undertaken in a systematic manner.

6.1.3 At the same time there needs to be proactive management of informal settlements by the City to ensure that no new informal settlements are established and that internal growth is prevented or contained. This process

would prevent households from settling in informal settlements as a means of accessing housing opportunities from the state – 'queue jumping'.

6.1.4 Addressing Non -qualifiers

6.1.4.1 The housing needs of non-qualifiers will be implemented in terms of the Policy on addressing non-qualifiers in the housing programme implemented by the City of Johannesburg (2006).

6.1.4.2 All persons considered as non-qualifiers would be able to purchase a site on a project or be allocated to affordable rental or social housing accommodation that is available.

6.1.4.3 In accordance with other programmes, households that are not lawful residents and do not have proper documentation cannot be allocated housing opportunities and are to be referred to the Department of Home Affairs.

6.2 . Greenfields and mixed developments

This refers to housing developments that have a combination of tenure option, housing typologies and can accommodate a range of household incomes.

The following households would be allocated to these developments:

6.2.1 Households that are part of targeted informal settlements identified for relocation to the project.

6.2.2 Households on the 1996 and 1997 waiting list if applicable or the housing demand database.

6.2.3 Households that respond when housing products are marketed, and comply with the advertised criteria.

6.3.Social Housing / Institutional housing

Social Housing institutions, including the Johannesburg Social Housing Company (JOSHCO) have their own allocation criteria and are responsible for managing their own housing waiting lists and databases.

Should the housing projects being implemented require subsidy funding, the criteria for allocations will include the criteria of the National Housing subsidy programme as applicable to social and institutional housing.

With regard to housing allocations:

6.3.1 Social housing institutions will develop and manage their own housing allocations policy and procedures

6.3.2 Where the City requires social housing institutions to manage the housing stock on their behalf; the allocations policy and procedure for the project will be agreed upon as part of the service level agreement. An example of this is where the City may require JOSHCO to allocate a targeted grouping of beneficiaries to housing units in a project in the inner city.

6.4. Council owned rental stock

This refers to duplexes, flats and free standing units etc

The transfer of council owned rental properties to qualifying beneficiaries through the Discount Benefit Scheme, the RETRO programme, sectionalisation programme and the national programme of the Enhanced Extended Discount Benefit Scheme has significantly impacted on the number of rental units that are owned and managed by the City.

Notwithstanding these processes there are still rental units that are owned and will need to be managed by the City in terms of maintenance and allocations.

Council owned rental stock is targeted at addressing the housing needs of the poor, especially households with an income of less than R7 000 per month.

With the commitment by government to provide housing opportunities to people there is a need to exercise discretion in determining the reality and practicability, with the intention to ensure sustainable housing

The eligibility criteria used for allocation of Council rental units would be the following:

6.4.1 Council rental units will be allocated to households that are on the provincial list or housing demand database.

6.4.2 A household monthly income (maximum R7000 per month) of not more than three times the required monthly rental is applicable.

6.4.3 The affordability level will be determined by taking into consideration all household expenditure.

6.4.4 Credit control will be implemented in line with the City's credit control policy and no illegal occupation and subletting will be condoned.

6.4.5 The applicant must not have benefited from other housing programmes being implemented by the City.

6.4.6 Substitution of a beneficiary –

In cases of death of a lessee, the immediate family i.e. the spouse and or child, competent to contract (who lived in the housing unit with the deceased) may apply to enter into a lease agreement with the city. However normal allocation processes (identified in 6.4.2 – 6.4.5) will be applicable.

6.4.7 In cases where the household affordability changes the affected households will be encouraged to occupy a new unit according to their revised affordability.

6.4.8 In ensuring that households living in Council rental accommodation continue to be eligible for allocation to Council rental accommodation all lease agreements will be reviewed every two years for compliance, and all new lease agreements shall be signed for a maximum of two years, and shall be renewed depending on the households eligibility.

6.5. Accommodation for Senior Citizens

The City has a approximately 2141 residential units, managed by the Housing Department that have been reserved to accommodate senior citizens.

The eligibility criteria for the allocation of these units includes:

6.5.1 Applicants must be 60 years and older to be allocated a unit.

6.5.2 Applicants must be South African citizens and City of Johannesburg residents.

6.5.3 Applicants must not have dependents eg. children and grand children residing with them.

6.5.4 Applicants must be self catering and not in need of frail care (confirmed by a medical certificate).

6.5.4 A household monthly income of not more than three times the required monthly rental is applicable.

6.5.5 The applicant must not have benefited from other housing programmes being implemented by the City.

6.6 Staff hostels

The City is currently not allocating any employees to vacant units in staff hostels.

The management of the staff hostels is being handed over to JOSHCO and once re developed the allocations will be implemented on the basis of the housing allocations policy of JOSHCO.

6.7 Public hostels

Similar to the informal settlements upgrading programme, the public hostels are currently overcrowded and already have residents living in them.

6.7.1 The housing subsidy eligibility criteria will apply.

6.7.2 In instances where a 'non -qualifier' is already resident in the public hostel, they would be allowed to rent a unit from the City.

6.7.3 However, as and when units become vacant and secondary allocations is required, the procedures proposed under 6.4 Council owned rented stock will become applicable.

6.8 Emergency housing accommodation

In terms of the national housing programme for housing assistance in emergency circumstances all affected households are eligible for emergency housing. All the eligibility criteria identified in terms of the national subsidy programme are not applicable.

6.8.1 In an emergency situation all affected households will be allocated to emergency housing accommodation.

6.8.2 The duration for the emergency accommodation will be dependent on the nature of the emergency and the rectification of the emergency situation.

7. Housing Demand database

The housing waiting list for Gauteng is being converted into a Housing Demand Database.

7.1 The Housing Demand Database will comprise an aggregated list of beneficiaries compiled in accordance with geographic locality and will be managed at a municipal level.

7.2 Households will be able to apply to be on the demand database on an ongoing basis.

7.3 Households on the database will be prioritised and accommodated in terms of their status eg special needs

7.4 The database will be updated annually via a registration process implemented by the Gauteng Department of Housing.

7.5 Systems will be established to ensure that once households have benefited, Province will be notified to them from the database.

8. Housing allocation priorities

8.1 The aged, and disabled are considered special needs groups and identified as vulnerable members of the community. They will therefore be prioritised with regards to housing allocations.

8.2 People living in special circumstances, e.g. in life threatening circumstances, condemned or over crowded buildings or people evicted or facing eviction from land and buildings will also be prioritised in new housing projects if available or in emergency accommodation.

9. Addressing Challenges in the allocation process

9.1 Succession of intended beneficiaries

In instances where qualifying beneficiaries have died prior to being allocated a house the following will be implemented.

9.1.1 The South Africa law of succession and administration of deceased estates, and if applicable the approved Housing Policy for Child Headed Households (2005) will be adhered to.

9.1.2 In instances where the children are over 21 years of age they will be eligible for the subsidy and will be allocated the house.

9.1.3 In instances where there is no spouse and the dependants are still under the age of 21 years, a legal guardian must be appointed, and the house will only be transferred to the dependants of the deceased once they are of the contractual age of 21 years.

9.1.4 In instances where there are no family members or if family members are traced but do not respond within a agreed timeframe the house will be allocated to other qualifying beneficiaries on the housing demand database or project register which ever is applicable.

9.2 Missing or untraceable intended beneficiaries

9.2.1 In an instance where the housing subsidy applicant/ beneficiary cannot be traced the City must do everything possible to locate the beneficiary, including placing a notice in the local newspaper. Should the applicant still not be traced the MEC will be requested to deregister the subsidy -

10. Housing opportunities database

Given the critical need and demand for housing in Johannesburg it is important that the City has a good understanding of housing opportunities by other role players in the City.

10.1 The City will establish a "Housing Opportunities Data Base" which will record and maintain a current listing of all housing opportunities available to low and middle income earners in the city.

10.2 The City will encourage housing suppliers, whether large or small scale, whether companies or individuals, to use this database as a mechanism for advertising their stock, whether available for rental or ownership.

10.3 Advertising of stock will be for free or for a minimal cost, to encourage wide spread use of the system.

10.4 Housing consumers will also have free access to the data base at Peoples' Centres throughout the City.

11. Housing Beneficiary Education

11.1 As part of the allocations process beneficiaries will be required to attend a mandatory beneficiary education session.

11.2 The City will develop beneficiary education material to support beneficiaries on better understanding their rights and obligations to their allocated housing unit.

12. Allocations at a Project Level

12.1 Notwithstanding the Revised Allocations Policy for the City of Johannesburg, it is important that at a project level a separate 'policy' or set of procedures for allocations is developed and agreed upon at a local project level, at the outset of the project.

13. Institutional Arrangements

13.1 To effectively manage, implement and monitor housing allocations a two tier institutional mechanism is proposed. A central allocations committee will be established, which is responsible for the overall monitoring of the implementation of the policy, database management and allocations to council owned rental stock and accommodation for senior citizens.

However at a project level a project allocations committee will also be established. This committee will apply the principles of the city wide policy to the project, and will also be entitled to introduce any special additional criteria particularly appropriate to that project provided that they are not in conflict with the overall principles and policy.

As part of the implementation guidelines for the policy, terms of reference will be developed for both committees, identifying the roles and responsibilities as well as composition.





GAUTENG DEPARTMENT OF HOUSING

HOUSING DEMAND DATABASE AND ALLOCATION POLICY

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Executive summary

In 1996 the Gauteng Department of Housing undertook to implement the waiting list database system. However the waiting list has not been a very effective tool to address housing challenges in the province. The limitation of state fiscus necessitates a progressive approach towards the realization of the Constitution to access to housing opportunities and to target the poorest and most vulnerable households.

The investigations conducted by the Gauteng Department of Housing revealed that various irregularities have taken place during the allocation process and the occupation of RDP houses. This was precipitated by maladministration, fraud, and corruption that contributed to the displacement of innocent beneficiaries.

A decision was then taken that the Housing Waiting List was to be re-engineered into the Housing Demand Database for Gauteng province. Housing Demand Database is a new system of managing and planning for the demand of housing in Gauteng province.

The Housing Demand Database refers to all housing needs in the province, whether area based, or project based or tenure options. Beneficiaries who have benefited from a housing subsidy will be flagged on the Demand Database as INACTIVE. This policy will be the only housing official database from which prospective beneficiaries will be selected for subsidy approval by the MEC. It will be used as information, planning and a research tool, whereby it will be able to provide information on the needs for housing by different groups within the communities.

The allocation model will be guided by the implementation of the new program called Integrated Residential Development Program (IRDP). According to this program, housing development is going to take a phased approach which will ensure proper project management cycle. This is also going to ensure that the process of allocation takes place after the properties are developed and then transferred to the appropriate beneficiaries. In that way, the subsidy is de-linked from the project.

This policy shifts away from a supply driven framework towards a demand driven process so as to build sustainable communities, meaning it will respond to community needs not individual needs.

Definition of concepts and Acronyms

The terms indicated below have, for purposes of this policy the following meaning:

Aged:	A South African citizen who has attained the minimum age set to qualify for Government's old age social grant.
Beneficiary /Applicant:	A person who has applied and will be benefiting from the housing subsidy.
Child headed households:	Households where children take over as the head of their households and fend for themselves without any adults to look after them.
Block by block approach	A process whereby housing allocation to beneficiaries is done considering the dynamics and needs of a particular block in a project.
Housing Demand database:	A computerized system used by the Gauteng Provincial Housing Department to record particulars of households in need of housing assistance. It is also a planning tool to determine housing needs in specific areas.
Gross monthly income:	The total monthly income before tax.
Military veteran:	A South African citizen who served under any previous military dispensation including those persons involved in military operations during the liberation movement.
Successor:	A dependant of a subsidy applicant who is 18 years or older and nominated by the applicant in the prescribed forms to replace the applicant on the Housing Demand Database in the event where the applicant predecease the housing subsidy approval.

Security of tenure: The security or legal rights of occupation, that people have whilst occupying their accommodation.

Special Needs: categories of persons such as people living with disabilities, the aged, child headed households, military veterans and beneficiary recommended by the Department to the MEC for Housing.

Sustainable communities: Places where people want to live and work, now and in the future. They are safe and inclusive, well planned, well run and offer equality of opportunity to all citizens.

Vulnerable groups: Orphans and vulnerable children, the disabled and the elderly.

Vulnerable children: Children who are most at risk of facing increased negative outcomes compared to the "average" child in their society.

Waiting list: The Waiting List is a computerized database system previously used by the Department and individual municipalities to record particulars of households in need of housing assistance.

Acronyms

ARA: Affordable Rental Accommodation
FLISP: Finance Linked Individual Subsidy Programme
HAC: Housing Advisory Committee
IRDP: Intergrated Residential development Programme
MEC: Member of Executive Council
MIDP: Municipal Integrated Development Plan
RDP: Reconstruction and Development Programme

The absence of a well regulated process and standards has created an environment that could be challenged as corruptive and not transparent in accordance with the generally accepted governance standards in government service delivery. Other challenges related to misallocations of beneficiaries and allocations of houses to unintended or non-qualifying beneficiaries. It is also anticipated that the new Housing Demand Database will improve the understanding and management of the housing backlog in the Province.

3. Objectives and Policy Performance

The objectives of this policy are:

- (i) To obtain relevant and accurate data for housing planning purposes through verification and updating of applicants information;
- (ii) To formulate a comprehensive housing allocation framework that accommodates previously disadvantaged groups and special needs categories;
- (iii) To help prioritize beneficiaries with special needs;
- (iv) To ensure that the Housing Allocation process is implemented across all the programs of the Department, in a fair, standardized, equitable and transparent manner.

The policy shall provide a regulatory framework that will ensure that the established Housing Demand Database is used as information, planning and a research tool, whereby it will be able to provide information on the housing needs for communities. Further, the Housing Demand Database will ensure that housing allocation process promotes sustainability, good governance within various communities in the province, and regularize the allocation process in a fair and equitable manner.

It is the vision of the policy that the Housing Demand Database is regularly updated as and when we are dealing with beneficiaries.

4. Scope of Application

This policy shall be applicable to all housing programmes of the department; and shall be implemented by the Gauteng Housing Department, in co-operation with municipalities and other stakeholders in housing delivery.

5. Purpose

- (i) To determine the housing demand for various tenure options in the Province;
- (ii) To ensure that a uniform and consistent approach is adhered to when allocating houses to intended beneficiaries; and
- (iii) To ensure that housing allocation process promotes sustainability and good governance.

The policy framework is guided by the following principles:

- *Equity and Fairness:* all applicants must have an equal opportunity for housing assistance, and never be of the opinion that special deals have been struck or that undue influence was exercised;
- *Transparency:* any person/applicants must be able to scrutinize the procedures utilized to allocate housing assistance, for evidence of irregular, unfair or corrupt practices. This has already in part been achieved by the introduction of the Anti-corruption unit within the Gauteng Department of Housing;
- *Access:* the allocation process should not be allowed to delay housing projects. It must be applied to enhance easier access to housing opportunities. Disadvantaged groups such as the aged, the physically and mentally disabled, HIV positive persons, and child and female-headed households should be assured of some degree of priority consideration in housing because of their status.
- *Functionality:* housing allocation process must be practical and not unduly costly. Practical judgment should be employed in implementing the Housing Demand Database in a way that preserves its intent, but may enhance cost saving exercises or achieve greater progress.
- *Affordability:* housing should be affordable. The amount a person or family pays for housing associated costs and services should not be so high that it compromises the attainment of other basic needs. The Gauteng Department of Housing is required to ensure that housing associated costs and services are commensurate with income levels.

- *Location:* for housing to be adequate, it must be situated so as to facilitate access to employment opportunities, health care services, schools, and other social facilities. It must not be located in polluted areas which violate the health and safety of inhabitants.
- *Integration:* housing allocation policy is to be employed in a way that promotes integration of communities in the province of Gauteng as a whole.

These principles should be implemented in line with the Eight Batho Pele principles to ensure proper and responsive housing service delivery.

6. Regulatory Framework

- Constitution of the Republic of South Africa, 1996
- Housing Act, 1997 (Act No. 107 of 1997) as Amended
- Gauteng Housing Act, 1998
- Rental Housing Act, 1999
- Breaking New Ground
- South African Law of Succession Legislation
- Gauteng Department of Housing Policy Directive No 3. of 2003
- National Allocation Guidelines
- Batho Pele Principles

7. Housing Demand Database

The National Housing Demand Database is the primary source for selections of names of persons to apply for housing subsidies.

The provincial housing Demand Database shall be integrated in the National Housing Demand Database. The Demand Database shall have an overall list of all housing applicants in every area. Applicants shall be verified against the criteria and classified according to relevant housing subsidies. The Demand Database shall indicate the total number of beneficiaries per targeted area Demand for every area will then be determined and categorised with different demographic profiles.

7.1 Statistical information

- (a) The statistical information obtained from the Database shall assist with:
- (i) Planning for housing development;
 - (ii) Interrogating the extent of the housing need linked to geographic location;
 - (iii) Allow the Department to accurately gauge the extent of the housing backlog in the province;
 - (iv) Obtain data around the special needs group within the communities; and
 - (v) Obtaining information around the demographic composition of households in terms of age, gender, and race.
- (b) For the purposes of the establishment of the Housing Demand Database, the following data shall be included
- (i) The name of an area having informal settlement and families registered therein.
 - (ii) A number of stands having backyard shacks, the owner of the stand and families occupying those shacks; and
 - (iii) Geographical area, number of serviced sites without top structure and families occupying such sites.
- (c) Information derived from the database must be used to:
- (i) Identify housing needs both within the areas of jurisdiction of each municipality and the province as a whole;
 - (ii) Identify potential areas for housing projects and serve as a basis for development of housing projects;
 - (iii) Provision of housing information to communities and other institutions within the province; and
 - (iv) Assist as a tool to provide accountability and transparency in housing allocation.
 - (v) Allocations of different tenure options according to the needs of beneficiaries.

8. Research tool

The Housing Demand Database shall be the source from which selection of beneficiaries is to be made and allocation in the initiated housing project and shall include the following information:

- Profile of the applicant in need of housing assistance;
- The housing model for which the beneficiary qualifies; and
- A geographic area where the beneficiary shall be allocated.

9. Eligibility criteria

The following criteria shall apply

- (i) *Married or with financial dependents*: he or she must be married (in terms of civil law or customary union) or habitually cohabits with another person, or he or she has proven dependents;
- (ii) *A Resident* : He or she is a lawful resident of South Africa (citizens in the Republic of South Africa) or in possession of a resident permit(Certified copies of such documents must be submitted with the application.
- (iii) *Competent to contract*: he or she is legally competent to a contract(i.e. over 18 years of age alternatively married or divorced) and of sound mind;
- (iv) *Monthly household income*: gross monthly income does not exceed R3 500 per month in the case of an RDP house and R7000 per month in the case of FLISP;
- (v) *Not yet benefited from Government Housing funding*;
- (vi) *First time property owner*: he or she is acquiring property for the first time, except in the case of a consolidation subsidy, and relocation assistance.
- (vii) *Special needs categories such as disabled, the aged, child headed households and military veterans*.

The programmes and categories are attached as Annexures "A" and "B"

10. Housing Allocation

The allocation model shall be guided by the Integrated Residential Development Program (IRDP). This will also ensure that the process of allocation takes place after the properties are developed and thereafter transferred to appropriate beneficiaries as guided by proper project management principles.

- (i) All Housing Waiting Lists shall be discontinued and be captured on the provincial Housing Demand Database system;
- (ii) A Block by Block approach shall be applicable in all urban renewal projects ;
- (iii) Applicants shall be categorized according to their geographic location where a housing project is identified for development; and
- (iv) Department shall during the process of allocation prioritise the 1996/97 applicants who are still in need of housing.

10.1 Special Needs

The identified special needs categories are the disabled, child headed households, the aged and military veterans. For the purposes of ensuring that special needs' housing demands are taken care of, 5% of the identified special needs categories shall be prioritized in each housing project. The framework of dealing with special needs cases will further be determined and regulated by a special needs policy of the Department.

10.2 Deceased and missing beneficiaries

12.2.1 Deceased Beneficiaries

(a) In instances where a qualifying beneficiary dies prior to being allocated a house the following shall be implemented.

(b) The National guidelines on Protection of the rights to subsidised property of descendants of beneficiaries shall be applied for succession purposes;

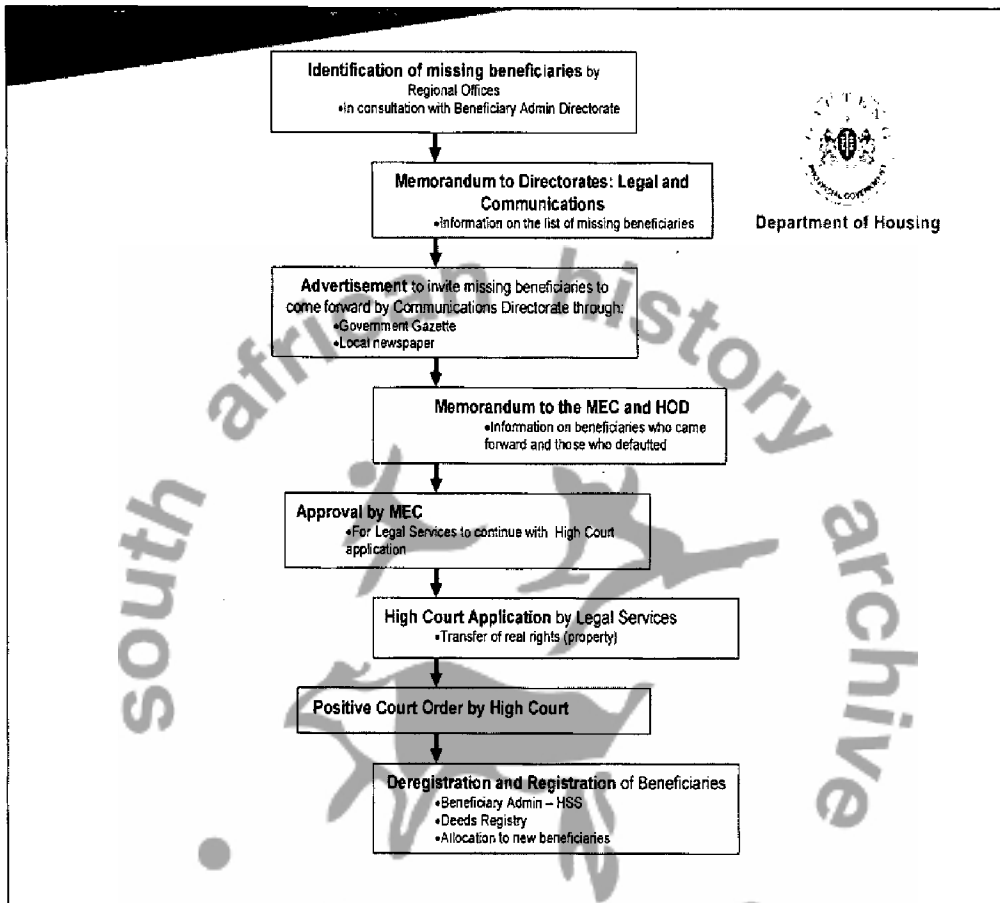
(i) In instances where the dependent is over 18 years of age, he/she shall be eligible for a subsidy and shall be allocated the house

(ii) In instances where the children are orphaned and under the age of 18 years, a legal guardian must be appointed. The house shall later be transferred to the dependants once they are of the contractual age;

12.2.2 Missing Beneficiaries

(a) In instances where the housing subsidy beneficiary/applicant cannot be traced the Department will follow the necessary steps according to the diagram below:

Diagram A



(b) In instances where there are no family members or if family members are traced but do not respond to notices as stated on the diagram A within the agreed timeframe, the house shall be allocated to other qualifying beneficiary as registered on the Housing Demand Database

10.3 Development and allocation in Informal Settlements

(a) Housing development initiatives through the programme for the Upgrading of Informal Settlements shall entail the development of existing informal settlement areas and/or the relocation of a section or the whole community where required. Only serviced stands shall be provided to the inhabitants of such informal settlements during phase one of the Phased Development Approach according to IRDP. All the housing needs shall be recorded at project initiation stage and the project shall be designed according to individual beneficiary's needs.

(b) During phase two of the Phased Development Approach, the MEC may be required to consult the Provincial Housing Demand Data Base to allocate housing opportunities or call for applications through an open invitation process where the applicants' register does not exist in that area.

10.3.1 Verification and regularization

The Department will upload the application on the Housing subsidy Scheme for verification against the various databases to ensure that the applicants satisfy the qualification criteria. This function will be performed and monitored by the internal Beneficiary Administration Unit in alignment with other concomitant functions.

10.3.2 Persons who do not qualify for housing subsidies

(a) The IRDP projects will deliver a range of housing opportunities and will provide access to such opportunities to persons who do not comply with the Housing Subsidy Scheme qualification criteria.

(b) Households whose incomes exceed R3 500, 00 per month but less than R7 000, 00 per month: are eligible to purchase a vacant serviced stand at input cost through the Financed Linked Individual Housing Subsidy

programme (FLISP). These persons may also apply for rental accommodation;

(c) Households whose incomes exceed R7 000, 00 per month: should be awarded an opportunity to buy a vacant serviced stand at the current market value. The Provincial Housing Department will determine the market value of serviced stands. These persons may also apply for rental accommodation managed by Social Housing Institutions

(d) Persons who have benefited from State financed housing schemes in the past but who are not currently the owners of residential properties, shall be awarded the opportunity to buy vacant serviced stands at input cost.

(e) Single persons with no financial dependants: should also be awarded an opportunity to apply to purchase a vacant serviced stand. Where such an applicant satisfies the income criterion, the site may be allocated free of charge pending the applicant's compliance with the qualification criteria. Such a person may also apply for rental accommodation.

The above cases must be on the database and be administered on the "first come-first serve" principle.

11. Institutional Arrangements

The institutional architecture for the administration of the selection and allocation process will comprise of the following role players:

- Joint Allocation Committee
- National Department of Housing
- Gauteng Department of Housing
- Municipalities
- Social Housing Institutions

11.1 Joint Allocation Committee (JAC)

The Joint Allocation Committee must as a minimum comprise the following public sector officials:

- Two members from the Office of the City Manager of a Municipality;
- Two members representing the Provincial Department of Housing;
- The Parties to the Allocation Committee are required to officially nominate two officials to serve as permanent Members of the Committee.

It is required that the Parties to the Committee also nominate an additional member to serve as an alternate in cases where a permanent member is not able to attend a specific meeting of the Committee.

11.1.1 Chairperson

- The Allocation Committee must be chaired by one of the members elected from the provincial office
- The position of a deputy chairperson must be filled by one of the elected members from municipalities

11.1.2 Quorum arrangements

The Allocation Committee's quorum will comprise all members of the Committee.

11.1.3 Meeting arrangements

The Allocation Committee meetings will be directed and influenced by the project process and progress and the frequency of the meetings of the Committee will be managed by the Chairperson.

11.1.4 Secretariat

The secretarial function will be fulfilled by the provincial office. All proceedings and decisions of the Committee will be recorded and preserved for auditing purposes.

11.1.5 Functions of the Committee

- To co-ordinate and execute the allocations process in the province; and
- To administer all selection, verification and allocation processes within the framework of applicable legislation and policy prescripts.

11.2. Gauteng Department of Housing

The Department shall:

- Maintain and manage the provincial Housing Allocation and Demand Database Policy and processes;
- Undertake necessary administrative and capacity measures to support municipalities effectively in order to fastrack the implementation process;
- Provide information to all municipalities regarding Housing Allocation and Demand Database policy issues;
- Manage and control the Housing Demand Database system in order to have an effective Housing Allocation process; and
- Coordinate housing developments in the province.

In order to effectively manage, implement and monitor housing allocations as well as the Housing Demand Database, a task team consisting of the department and municipal officials shall be established. The task team shall co-ordinate the coherent operations of the following functionaries of the Department:

11.2.1 Beneficiary Administration Unit

- Receive the completed application forms of the selected beneficiaries from the Project Manager and record the applications received;
- Verify the applications against the selection made;

- Evaluate the applications for compliance with the qualification criteria;
- Submit the applications found to be in order to the Provincial Housing Department for verification, consideration and subsidy approval;
- Inform the Project Manager of the approval of the subsidy applications;
- Compile regional beneficiary lists for the municipalities involved, specifying the area where the housing project shall take place and the number of beneficiaries to benefit from the initiated project;
- As part of the allocation process, inform the beneficiaries to attend a mandatory beneficiary education session; and
- Compile quarterly reports on the status of the Housing Demand in the province to best inform the planning of housing projects and programmes.

11.2.2 Beneficiary Education Unit

The Unit shall provide detailed information to stakeholders on any relevant issue that relates to provincial housing development and allocation processes.

11.2.3 Project managers

- Alerting the Joint Allocations Committee Secretariat of the need for the allocation and approval of subsidy beneficiaries prior to the implementation of the project;
- Receive a list of selected prospective beneficiaries from the allocation Committee;
- Ensure that all application forms are correctly completed and supported by required documentation in terms of the qualification criteria;
- Conclude conditional agreements of sales with the prospective beneficiaries subject to a suspensive clause in relation to the approval of subsidy application;
- Receive requests for additional information or proof required and deal with those requests;

- Publish the list of selected prospective beneficiaries and invite them to complete subsidy application forms;
- Submit completed application forms with all the required documentation to the Secretariat of the Joint Allocations Committee;
- Receive confirmation of the subsidy approval from the Department; and
- Proceed with the confirmation of the subsidy approval and transfer the properties to the approved beneficiaries.

11.2.4 Chief Operations Officer

The Operations Office shall be responsible for:

- Participation in the Joint Allocations Committee; and
- Ensuring that the departmental priorities are followed on project planning and housing allocations

11.2.5 Information System Management Unit

The Unit shall be responsible to manage the Housing Demand Database System and shall involve the following:

- Provide all requested information on beneficiaries that need to be sourced from the demand database;
- Provide breakdown of beneficiary profile in any particular area targeted for allocations;
- Provide overall statistics on housing demand in any particular area, community, region or provincially;
- Drawing targeted selection of prospective beneficiaries of housing opportunities in a project for consideration by the Joint Allocations Committee;
- Provide housing demand figures in any area in the province as and when required;
- Implement allocations criteria as set out by the Joint Allocations Committee on selection of names from the Housing Demand Database; and

- Provide the Joint Allocations Committee with the names of beneficiaries selected from the Housing Demand Database as per agreed allocations criteria.

11.2.6 Internal Auditing

The Audit Unit of the Department shall audit the performance around the management of the database and compliance issues pertaining to qualification criteria and allocations process.

11.4. Municipalities

Municipalities shall:

- Co-operate with the Gauteng Department of Housing in order to effectively implement the Housing Allocation and Demand Database Policy;
- Integrate Housing Demand and community needs in their locality into the IDPs; and
- Be responsible for providing detailed policy information to beneficiaries within their jurisdictions.

11.5 Social Housing Institutions

Social Housing institutions shall:

- In instances where it manages the stock and projects on behalf of the Department, the procedures for the projects shall be agreed upon as part of the service level agreement; and
- Where Housing projects require subsidy funding, comply with the criteria for National Housing subsidy programme as applicable to Social Institutions.

11.6. Project Steering Committee

Project Steering Committees shall:

- Receive information regarding the housing allocation processes and procedures taking place in Gauteng Department of Housing;
- Monitor and report non adherence to building norms and standards by contractors and project managers;

- Attend to all the training provided by the Department on housing development and allocation; and
- Attend to community liaison activities to determine the community needs in each project.

11.7 The External Auditors

The Department of Housing may decide to appoint external auditors whose role will be to verify the housing subsidy applications received from the Project Manager before submission thereof to the decision-making authority.

12. Policy Implementation

- (i) The implementation of this policy shall be the sole responsibility of the Gauteng Department of Housing and its regions; and
- (ii) The Gauteng Department of Housing shall not assign housing allocation powers to municipalities.

13. Monitoring and Evaluation

The Customer Relations Management Chief Directorate in consultation with the internal Monitoring and Evaluation Unit shall develop guidelines to:

- (i) Monitor compliance of this policy;
- (ii) Measure the success and impact of this policy;
- (iii) Measure the success of programmes and projects that are implemented as a result of this policy against the stated objectives of the policy; and
- (iv) Ensure that the policy meets its stated objectives.

14. Policy Review

Policy Research and Legislation Directorate shall be responsible to review and amend the policy as per recommendations arising out of implementation.

References

City of Johannesburg; Revised Housing Policy for the City of Johannesburg.

Comprehensive Plan for the development of Sustainable Human Settlements (BNG)

Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996)

Draft Guidelines for the Allocation of Housing opportunities created through the Residential Intergrated Residential Development programme: Gauteng Department of Housing 2008

Government gazette No 19967 Vol 406, 23 April 1999

Gauteng Department of Housing Policy Directive No3 of 2003

Gauteng Housing Act, 1997

Housing Assistance to Orphans and Vulnerable Children: National Housing Programme

Minnie. 2008, Draft Guidelines for the Allocation of Housing opportunities created through the Residential Intergrated Residential Development programme

National Housing Code 2007

National guidelines for the deregistration of missing beneficiaries of government subsidized houses

Rental Housing Act, 1999

ANEXURE A

PROGRAMMES

Individual Subsidy

This subsidy shall be available to individual beneficiaries who want to buy an existing house or a stand linked to a house building contract in the market. This subsidy is available on first come first served basis and can be credit or non-credit linked.

Institutional Subsidy

This subsidy is given to an approved housing institution that could comprise of a group of individuals who have formed a legal entity that will acquire residential property and manage it. The institution receives R25 800.00 per housing unit for each family earning below R3 500.00 per month. This is the only subsidy that allows you to re- apply for another subsidy, purely because it is attached to the property and not an individual and is mainly used for rental purposes.

Consolidation Subsidy

If you are living in an area or a serviced stand that the government sold to you, you then qualify for a consolidation subsidy and you will receive, R14 102.00 for building the top structure on the enhancement of your existing house on the property. If you opt for a contractor to build your house, you will be required to pay the R2 479.00 as your contribution.

Rural Subsidy

This subsidy is available to beneficiaries who only enjoy functional tenure rights to the land they occupy. This land is normally in rural areas and belongs to the state therefore it is governed by traditional authorities.

Finance Linked Subsidy

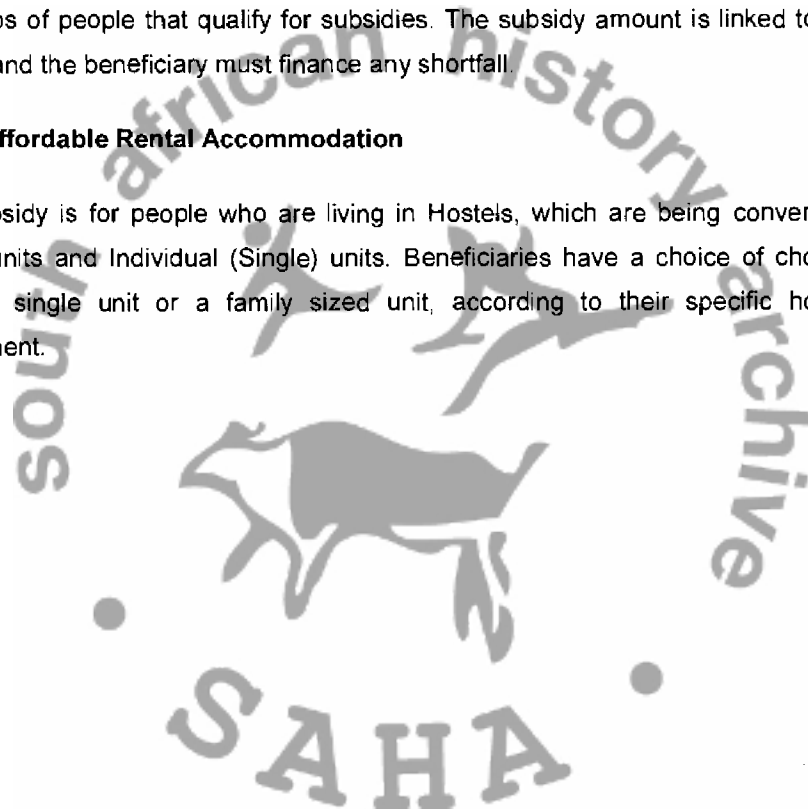
Application for this type of subsidy is made by the bank, on behalf of the applicant. The subsidy is used for bonded properties financed by a financial institution and the applicant's income must not exceed R7000.00.

Project Linked Subsidy

These properties are built by contractors, employed by the province or municipality for groups of people that qualify for subsidies. The subsidy amount is linked to your income and the beneficiary must finance any shortfall.

ARA - Affordable Rental Accommodation

This subsidy is for people who are living in Hostels, which are being converted to Family units and Individual (Single) units. Beneficiaries have a choice of choosing either a single unit or a family sized unit, according to their specific housing requirement.



Annexure B

Rental

Option/Programme	Purpose of programme	Beneficiary income	Features of the subsidy	Owner/manager of the stock	Specific features	Subsidy application
<i>Community Residential Units (CRU)</i>	Accommodate low-income people. Can be a stepping stone to other kinds of accommodation	R800 – R3500	Pays for the (re)development and is calculated per m ² . There is a once-off long term maintenance subsidy after 5 years.	Public stock (municipality or province). Management can be outsourced.	Follow-up of hostel redevelopment programme	Provincial Government through Provincial Steering Committee (PSCs)
<i>Social Housing</i>	Besides providing houses, this should also increase the social and economic integration of the area by ensuring economic and social amenities/activities	R1500 – R3500	A fixed amount per unit. At least 30% of the units have to be available for the R1500 – R3500 income group.	Public and/or private stock. Management by private company or Social Housing Institution (SHI).	Only applicable in Restructuring Zones in 13 selected urban municipalities. Focus is on urban areas.	Provincial and National Government through PSCs
<i>Institutional Subsidy</i>	To provide short/long term rental stock for the lower income group.	Up to R3500	Rental/Rent-to-buy, etc. Subsidy is a fixed amount per household.	Public and/or private stock. Management by private company or SHI.	<ul style="list-style-type: none"> ▪ Includes empowerment training for tenants. Short term housing solution. ▪ Sharing of facilities to 	Provincial Government
<ul style="list-style-type: none"> ▪ <i>Transitional Housing</i> ▪ <i>Communal Housing</i> 	<ul style="list-style-type: none"> ▪ Provide temporary rental housing and assist tenants to find a long term housing solution. ▪ Provide long term rental stock 					

	that is affordable for the lower income category.				reduce the costs of units	
<i>Private Rental</i>	Provide rental housing and make a profit out of it (for the owner).	No Income Bracket	No subsidy/ government programme	Private ownership, either company or individual.	Can be any kind of rental housing, from very cheap to very expensive	N/A





3A B

ALLOCATION PROCESS FLOW FOR NEW DEVELOPMENTS/RDP HOUSES

Housing subsidy qualification Criteria?

To qualify you must be:

- 21 years or older;
- Married or single with dependants or living with a long-term partner;
- Unemployed or earning not more than R3500 to qualify for a giveaway RDP House or less than R7 00 to R15000 to qualify for finance linked subsidy ;
- A South African citizen;
- A first time home-owner;
- Not have received any government housing assistance before.

STEP 1

- 1 BENEFICIARIES AND/OR BENEFICIARY COMMUNITIES ARE IDENTIFIED BY THE REGIONS AND APPROVED BY COUNCIL.
- 2 APPLICATION FOR HOUSING SUBSIDIES ARE COMPLETED AND SUBMITTED TO PROVINCE FOR APPROVAL BY NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS

STEP 2

- 1 AS SOON AS HOUSES ARE READY THE RECEIVING REGION/S HOLDS A MEETING WITH THE ALLOCATIONS UNIT TO DISCUSS LOGISTICS PERTAINING TO THE ALLOCATIONS PROCESS
- 2 AN ALLOCATION DATE IS IDENTIFIED AND AGREED UPON BY ALL STAKEHOLDERS.

STEP 3

- 1 THE DISPATCHING REGION FORWARDS A LIST OF APPROVED BENEFICIARIES TO BE RELOCATED, TOGETHER WITH A SIGNED LIST FROM PROVINCE INDICATING THAT BENEFICIARIES HAVE BEEN APPROVED.
- 2 THE RECEIVING REGION FORWARDS A LIST OF COMPLETED HOUSES THAT ARE APPROVED BY THE RELEVANT QUALITY ASSURANCE OFFICIALS, AND VERIFIED BY THE PROJECT MANAGER.

STEP 4

- 1 ALLOCATION UNIT PREPARES THE RELOCATION NOTICES AND FORWARD THEM TO THE DISPATCHING REGION TO DISTRIBUTE TO THE RELAVANT BENEFICIARIES.
- 2 OTHER ALLOCATION DOCUMENTS ARE PREPARED WHICH INCLUDES:
 - ALLOCATION LETTERS
 - CERTIFICATE OF OCCUPATION/HAPPY LETTERS
 - JOBURG WATER DOCUMENTS
 - ALLOCATION REGISTERS
 - OPEN AND NAME AND NUMBER FILES

STEP 5

- 1 ALLOCATIONS UNIT IDENTIFIES DATE FOR BENEFICIARY EDUCATION

3A & B

2 BENEFICIARY EDUCATION IS HELD

STEP 6

RELOCATION/ALLOCATION DAY

- 1 THE DISPATCHING REGION ASSEMBLY AT THE RELEVANT AREA TO LOAD BENEFICIARIES AND ENSURE THAT THEY HAVE THE RELEVANT DOCUMENTS AND SIGN THEM OFF.
- 2 THE ALLOCATIONS TEAM WHICH INCLUDES THE RECEIVING REGION OFFICIALS: OPS MANAGER, AREA MANAGER AND PROJECT MANAGER AND THE ALLOCATIONS TEAM, ASSEMBLY AT THE SITE OFFICE TO RECEIVE THE BENEFICIARIES.
- 3 ON ARRIVAL, THE BENEFICIARY MUST PRODUCE: RELOCATION NOTICE, ORIGINAL ID, SPOUSES ID COPY, COPIES OF DEPENDANTS BIRTH CERTIFICATES, VERIFICATION DOCUMENTS FROM WHERE THE BENEFICIARY IS RELOCATED FROM.
- 4 THE ALLOCATIONS MANAGER AND THE AUTHORIZES THE ALLOCATION DOCUMENTS AND THE REGIONAL OPS MANAGER COUNTER SIGNS.
- 5 THE BENEFICIARIES SIGN OFF THE DOCUMENTS MENTIONED ABOVE INCLUDING THE ALLOCATION REGISTERS; THEY ARE ISSUED WITH AN ALLOCATION DOCUMENT AND JOBURG WATER DOCUMENTS.
- 6 FILES ARE OPENED, BENEFICIARY RELOCATION SLIPS, BENEFICIARY ID COPIES, DEPENDANTS COPIES, C FORMS/WAITING LIST, HAPPY LETTER/OCCUPATION CERTIFICATE, JOBURG WATER DOCUMENTS, VERIFICATION DOCUMENTS ARE PLACED IN FILE.

STEP 7

- 1 THE AREA MANAGER TOGETHER WITH THE PROJECT MANAGER RECEIVES THE BENEFICIARIES AT THE HOUSES, WHO THEN PRODUCES AN ALLOCATION DOCUMENT WITH A HOUSE/STAND NUMBER.
- 2 THE BENEFICIARIES THEN SIGN THE ALLOCATION REGISTER AND THE PROJECT MANAGER/AREA MANAGER OPENS AND HAND OVER THE HOUSE TO THE BENEFICIARIES.

STEP 8

BENEFICIARY EDUCATION IS HELD FOR THE BENEFICIARY COMMUNITY IF IT WAS NOT CARRIED OUT PRIOR TO RELOCATIONS/ALLOCATIONS