



REPORT TO SUBCOUNCIL
[All Sub-Councils]

1. **ITEM NUMBER :** *To be inserted by secretariat*
2. **SUBJECT**
DRAFT REVISED ALLOCATION POLICY: HOUSING OPPORTUNITIES

ONDERWERP
KONSEP- HERSIENE TOEWYSINGSBELEID:
BEHUISINGSGELEENTHEDE

ISIHLOKO
UYILO LOMGAQO-NKQUBO WOLWABELO OLUPHENGULULIWEYO:
AMATHUBA EZEZINDLU

K2455

3. **PURPOSE**

The purpose of this report is to inform sub-councils of the draft revised Allocation Policy: Housing Opportunities and to request for formal comments from sub-councils on the Draft Revised Allocation Policy as part of the public participation process.

4. **FOR NOTING AND COMMENTS BY**

Sub-councils and Ward Committees

In terms of Part 24 (5) of the Systems of Delegation for the City of Cape Town

-
5. **EXECUTIVE SUMMARY**

The selection and allocation of beneficiaries for state subsidised housing opportunities is the responsibility of the City. In order to ensure a transparent and equitable process is followed in this regard the former Human Settlements Directorate within the City developed the Allocation Policy: Housing Opportunities which sets out the criteria, processes and procedures for selecting beneficiaries for state subsidised housing and tenants when vacancies occur in existing and new rental housing properties of the City.

The latest review of the Allocation Policy was approved by Council on 25 March 2015.

Subsequent to the approval of this Policy by Council in March 2015 various operational challenges and policy gaps were identified which only become apparent through the implementation of the policy. It was therefore imperative to review the Policy to ensure a fair, transparent, equitable allocation of housing opportunities to qualifying applicants from the City's Housing Demand Database.

This report highlights the changes made to the Policy to address the identified gaps within the policy.

6. RECOMMENDATIONS

It is recommended that:

- a) the subcouncils note the contents of the report and the attached draft revised Allocation Policy;
- b) the subcouncils circulate this report to all ward committees;
- c) the subcouncils submit formal comment on the draft revised Allocation Policy as part of the public participation process.

AANBEVELINGS

Daar word aanbeveel dat:

- a) die subrade kennis neem van die inhoud van die verslag en die aangehegte konsep- hersiene toewysingsbeleid;
- b) die subrade hierdie verslag aan alle wykskomitees versprei;
- c) die subrade formele kommentaar oor die konsep- hersiene toewysingsbeleid voorleë as deel van die openbare deelname proses.

IZINDULULO

Kundululwe ukuba:

- a) amabhungana mawaqwalasele okuqulathwe yile ngxelo noyilo oluphengululiweyo loMgaqo-nkqubo woLwabelo oluqhotyoshelweyo;
- b) amabhungana mawagqithisele le ngxelo kuzo zonke likomiti zeewadi;
- c) amabhungana mawangenise izimvo ngokusesikweni malunga noyilo oluphengululiweyo loMgaqo-nkqubo woLwabelo nje ngenxalenye yenkqubo yentatho-nxaxheba yoluntu

7. DISCUSSION/CONTENTS

Background:

The selection and allocation of beneficiaries for state subsidised housing opportunities is the responsibility of the City. In order to ensure a transparent and equitable process is followed in this regard the Human Settlements Directorate within the City developed the Allocation Policy: Housing Opportunities which sets out the criteria, processes and procedures for selecting beneficiaries for state subsidised housing and tenants when vacancies occur in existing and new rental housing properties of the City.

The latest review of the Allocation Policy was approved by Council on 25 March 2015.

Subsequent to the approval of this Policy by Council in March 2015 various operational challenges and policy gaps were identified which only become apparent through the implementation of the policy. It was therefore imperative to review the Policy to ensure a fair, transparent, equitable allocation process of housing opportunities to qualifying applicants from the City's Housing Needs Register.

Purpose:

The purpose of this report is to advise the Committee on the review of the Allocation Policy: Housing Opportunities 2015 and to highlight the amendments to the policy prior to the formal public participation process.

Amendments to the Policy:

The table below highlights the significant amendments to the revised policy and the rationale for the amendments:

Current Policy	Revised Draft Policy	Rationale for amendment
Policy only applies to projects development/managed/facilitated by the City	Western Cape Department of Human Settlements and any private developer to consider prescripts of this policy when developing state subsidised housing within City boundaries	As Western Cape Department of Human Settlements source beneficiaries from the City's housing database for their projects within City boundaries it is important that standard process is followed in terms of allocation within the City of Cape Town
Policy allows for 10% of allocation to be granted to persons not registered on the database – criteria provided	Only names registered on the City's housing needs register will be considered for allocation of state subsidised housing opportunities (rental and ownership);	To ensure a fair and transparent process only person registered on the City's housing needs register will be considered.

Any deviation from the policy must be approved by Executive Mayor and Council	Deviation from the policy must be approved by the Mayor together with MAYCO. An internal standard operating procedure will be drafted to stipulate the deviation criteria.	To expedite decision-making time
Project Steering Committee makes a recommendation in terms of the target area and beneficiary quotas for a housing project	The determination of the appropriate target area and beneficiary quotas to be recommended by the City based on analyses of housing demand and past and future housing projects within surrounding areas of where the project will be located. The recommendation must be in line with the provision of the Allocation Policy The Project Steering Committee may comment on the above proposal before final sign off by the Executive Director: Human Settlements	This is to ensure that decisions are based on evidence, therefore encouraging the principles of fairness and transparency.
Provincial Circular C2 of 2019 not included	Insertion of Provincial Circular C2 of 2019	City must comply with Provincial Policy direction - C2 of 2019
No clear process for "non-qualifiers"	Households whose income exceeds R3 500 per month but less than R7 000 can purchase a vacant serviced stand at input cost or apply for FLISP subsidy to cover the input cost. Households whose income exceeds R7 000 per month should be awarded the opportunity to buy a vacant serviced site at the current market value of the properties as determined by the municipality.	This is in line with national human settlements policy
Transfer of Tenancy in City Rental Housing: Omission of Anti-social behaviour as eligibility criteria	Occupants who have a record of anti-social behaviour (12 month prior to a transfer of tenancy application) will not be considered for the tenancy.	Recommendation by Mayor and MAYCO to ensure that the City is a responsible landlord
Omission of Unlawful Occupation of City owned rental housing as this is currently a separate policy	Incorporated procedures relating to Unlawful Occupation of Council Rental units. Amendment of qualifying cut-off date from 1 March 2006 to approval date of policy	Rescind Unlawful Occupation Policy and incorporate all procedures relating to allocation of unit in Council rental housing into one comprehensive policy. Amendment of cut-off date – mitigates mass evictions by regularising qualifying occupants.
Omission of the allocation process for the upgrading of informal settlements projects	Inclusion of allocation process regarding Upgrading of Informal Settlements projects (Phase 3 and 4)	As Phase 3 and 4 of the upgrading of informal settlements programme results in a serviced site or top-structure being transferred to a qualifying beneficiary, it was important to set procedures in place for the allocation of housing opportunities.

7.1 Constitutional and Policy Implications

7.1.1 National Outcome 8: Sustainable Human Settlements and improved quality of household life.

7.2 Sustainability implications

Does the activity in this report have any sustainability implications for the City?

No ☒ Yes ☐

7.3 Legal Implications

A policy that directly impacts on the public is legally prescribed to be published for public participation.

7.4 Staff Implications

Does your report impact on staff resources or result in any additional staffing resources being required?

No ☒

Yes ☐

7.5 Other Services Consulted

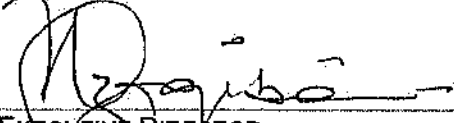
Human Settlements Implementation Department
Public Housing
Informal Settlements
Revenue
Legislative Development:
Strategic Policy Unit:
Human Settlements Portfolio Committee

ANNEXURE:

A: Draft Revised Allocation Policy: Housing Opportunities

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EXECUTIVE DIRECTOR
Nolwando Gqiba

Comment:

NAME N. GQIBA

DATE 2019.10.31



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Making progress possible. Together.

Draft Allocation Policy: Housing Opportunities 2019

[Reference Codes] (The reference code will be allocated by Executive Support on submission of the policy)

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DEFINITIONS

In this policy –

"Abandoned" means the tenant has moved out of the City's rental housing unit without informing the City, thus leaving the rental unit without any occupants.

"Adequate proof of address" means an official document from an organ of state, accountable institution, mobile phone provider or other officially accepted document to confirm residential address excluding an affidavit by the applicant/beneficiary or natural person.

"Aged persons" mean persons who are 60 (sixty) years and older in terms of the South African Social Services Social Grants directives.

"Anti-social behaviour" means acting in a manner that causes or is likely to cause harassment, alarm or distress to one or more persons including alcohol abuse, drug and substance misuse and dealing, possession of drugs, illegal possession of firearms, intimidation, harassment, gangsterism, vandalism, abuse and sexual harassment.

"Assignment Agreement" means that the City and the Western Cape Department of Human Settlements signed a Memorandum of Agreement (MOA) which will see the two spheres of government entering a process to give the City assignment functions with regard to human settlements.

"Backyarder" means a person occupying a backyard residential unit under some type of rental agreement with the main homeowner or City tenant which may or may not include monetary payment for the right to occupy the unit, and may or may not be set out in a formal written agreement. The backyard residential unit is likely to be an informal structure within the backyard of formal developed areas.

"Breaking New Ground (BNG) housing" means housing developed and fully funded by the state for qualifying persons via national housing grants.

"City" means the City of Cape Town, a municipality established by the City of Cape Town Establishment Notice No. 479 of 22 September 2000, issued in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), or any structure or employee of the City acting in terms of delegated authority.

"City Housing Database" means the City's housing database comprising persons who have registered a need for a housing opportunity. It also reflects those people that have received housing assistance.

"Community Residential Unit" means existing, new, redeveloped and refurbished City-owned rental housing created for persons and households with a monthly income of less than R3500 (or as determined by the National Department of Human Settlements) as stipulated in the National Housing Code.

"Customary marriage" means an union that is negotiated, entered into or celebrated in accordance with customary law.

"Displaced persons" refers to persons who resided in hostels within the township who were displaced due to upgrades to hostels they resided in.

"Dormant" means an applicant from the City's housing database who cannot be contacted three months from the date the potential beneficiary lists were first displayed.

"Emergency Housing" refers to the national housing programme that applies to emergency housing situations. The Programme will benefit all affected persons who are not in a position to address their housing emergency from their own resources or from other sources such as the proceeds of house insurance policies.

"Enhanced People Housing Programme" means housing opportunities for persons with a monthly household gross income of less than R3500 (or as determined by the National Department of Human Settlements). The People's Housing Process is a government housing support programme that assists households who wish to enhance their houses by actively contributing towards the building of their own homes.

"Enumeration" means to ascertain the number of households within the informal settlements identified for upgrading through means of a survey conducted by the City.

"Exceptional Housing Need" means a situation where an applicant is assisted on a priority basis as recommended by the Housing Allocation Oversight Committee based on predetermined criteria and approved by the relevant Executive Director as stipulated within this policy.

"Family member" means individuals who share ties of blood or who have consented to an arrangement similar to ties of blood, this includes, marriage, (including a customary marriage), fostering, adoption or children who were born as a result of a previous marriage or relationship. Family member for the purpose of this policy includes grandparents, parents, children, cousins, nephews, nieces, aunts, uncles and siblings.

"FLISP or GAP" means housing opportunities for beneficiaries with a monthly household gross income ranging between R3 501 and R15 000 (or as determined by the National Department of Human Settlements). The income bands are subject to review by the National Minister for Human Settlements from time to time.

"Greenfields Project" means a project occupying a greenfield site or vacant land on which there are no pre-existing, legal occupants, and for which the City has discretion to select beneficiaries, provided they are eligible for the subsidy.

"Good standing tenant" means a tenant who has no rental arrears and no record of anti-social behaviour.

"Guardian" means a person or persons legally appointed by a Court of Law or on recommendation by the Social Development Department in terms of the Children's Act, 2005 (Act No. 38 of 2005) to be the guardian for minors.

"Housing Information Branch" means the section in the City which administers and manages the City's Housing Database.

"Housing Opportunity" means a serviced site or a serviced site and top structure or Community Residential Unit or Social Housing Unit offered to a potential beneficiary/tenant by the City or a Social Housing Institution.

"Housing for the aged" mean City-owned rental units which have been developed specifically to accommodate aged persons.

"Housing Subsidy System" means the computerised system managed by the National Department of Human Settlements and used by Provincial Departments and accredited municipalities to administer housing projects and subsidy applications.

"Inclusionary Housing" means the incentivised development of affordable housing units by the private sector.

"Infill Housing" means the development of vacant or under-used land parcels within existing urban areas that are already largely developed.

"Informal Settlements" means areas where informal housing structures have been constructed on land to which the occupants have no legal claim or unplanned settlements and areas where housing is not in compliance with current planning and building regulations (unauthorized housing).

"Institutional Housing" means a rent-to-buy tenure options for qualifying households who earn between R0 – R3500 per month and follows the prescripts as set out in the National Housing Code.

"Lease Agreement" means the legal agreement between the lessor and tenant.

"Lessee" means the tenant to whom the property is leased.

"Lessor" means the City or Social Housing Institution leasing the property.

"Monthly Household Income" means the joint gross monthly income of the applicant and/or his /her spouse or partner to be considered for eligibility of a housing opportunity.

"National Housing Code" means the document containing national housing policy, guidelines, norms and standards in terms of Section 4 of the Housing Act, 1997 (Act No. 107 of 1997).

"National Housing Needs Register" means the national database managed by the National Department of Human Settlements which contains the names and identity numbers of the persons who have been uploaded from the City's Housing database.

"National Housing Programmes" means the range of housing programmes provided for in the National Housing Code.

"National Qualifying Criteria" means the criteria as set out in the National Housing Code stipulating the requirements for applicants to qualify as beneficiaries for various housing opportunities.

"Non-Qualifiers" mean those applicants who do not meet the national criteria for a housing subsidy as stipulated in the National Housing Code.

"Original Family Form" means the latest/current lease agreement/tenancy form signed by the tenant and the City which is linked to the current lease agreement.

"Outside target area" means the suburbs surrounding a target area which includes all areas in Cape Town not included in the target area.

"Project Engagement Committee" means a project committee constituted in terms of clause 2.1.2.1 which will act in an oversight role and facilitate communication between the City and the beneficiary community for the duration of a project.

"Regularisation" means instances where unauthorised occupation of a Community Residential Unit is formalised in terms of the prescripts of this policy.

"Re-instatement of tenancy" means those instances where a tenant, after earlier vacating their previous unit due to circumstances beyond their control, is allocated an alternative rental unit.

"Re-instatement of status on the Housing Database" means changing an applicant's status on the City's Housing Database for example from 'dormant' to 'waiting'.

"Rightsizing" means the placing of a tenant and his/her family (listed on the family form) in accommodation that is appropriate for their needs and/or income when the City becomes aware of such cases.

"Relinquish" means to voluntarily give up a tenancy with the City through means of a formal notice to the City.

"Serviced Site" refers to a plot where municipal service connections were installed i.e. electricity, water and sanitation.

"Social Housing" means rental housing constructed and managed by the City's social housing partners in terms of the Social Housing Act, 2008 (Act No. 16 of 2008). For the purposes of this policy, Social Housing focuses on households earning between R1500 and R5 500 per month.

"Social Housing Institutions" means an institution accredited or provisionally accredited under the Social Housing Act, 2008 (Act No. 16 of 2008) which carries or intends to carry on the business of providing rental or co-operative housing options for low to medium income households on an affordable basis, ensuring quality and maximum benefits for residents, and managing its housing stock over the long term.

"Special Needs category" means applicants that are categorised as:

- (a) Disabled persons as defined in the National Housing Code and Provincial Policy on assessing the disability status of housing subsidy application for the purposes of determining subsidy eligibility;
- (b) Persons who are 60 years and older in terms of the South African Social Services Social Grants directives;
- (c) Military Veterans as recognised by the National Department of Military Veterans and Defence;
- (d) Aged Farmworkers as defined by the Extension of Security of Tenure Act, 1997 (Act No. 62 of 1997);
- (e) Listed Victims as set out in Volume 7 of the Truth and Reconciliation Commission Report;
- (f) Street people who constitute a family and who have successfully been rehabilitated via the City's Assessment Centres; and
- (g) Cases of exceptional housing need, in accordance with clear approved guidelines, recommended by the Allocations Committee and approved by the relevant ED for priority housing allocation. Persons will not be selected in terms of their date of registration on the City's housing needs register.

"Target areas" means a specific suburb, a portion thereof or the immediate suburb(s) surrounding the housing project as recommended and approved by the Human Settlements Directorate.

"Tenant" means a person who is renting a property from the City or a Social Housing Institution.

"Tenure" means the conditions under which land or buildings are occupied this would take the form of ownership or lease (or recognition / acknowledge).

"Transfer to another CRU" means the transfer of a tenant to an alternate rental accommodation unit

"Transfer of tenancy" means the transfer of the tenancy of a City CRU for a valid reason, to another family member or person living in the same CRU.

"Transitional housing" means the intermediate step between emergency crisis shelter and permanent housing.

"Top structure" means a brick and mortar house.

"Vacate" means the tenant has moved out of the City rental housing unit without the City's knowledge and has left occupant(s) behind.

"Unlawful occupant" means a person who in relation to the City's rental housing is not a family member of the City's tenant and who:—

- (a) Has moved into a vacant dwelling without the City's authorisation, or
- (b) Has forced the tenant out of his/her dwelling, or
- (c) Has been left behind by a vacating tenant or when the tenant died

"Upgrading of Informal Settlements Programme" refers to the national housing programme for the upgrading of informal settlements by means of in-situ upgrading or relocation.

ABBREVIATIONS AND ACRONYMS

ARF	Allocation Request Form
BNG	Breaking New Ground
CRU	Community Residential Unit
EEDBS	Enhanced Extended Discount Benefit Scheme
ED	Executive Director
FLISP	Financed Linked Individual Subsidy Programme
HIB	Housing Information Branch
HSS	Housing Subsidy System
ISH	Institutional Housing Programme
IDP	Integrated Development Plan
IRDP	Integrated Residential Development Programme
NDHS	National Department of Human Settlements
NGOs	Non-Governmental Organisations
MAYCO	Mayoral Committee
PM	Project Manager
PEC	Project Engagement Committee
SHI	Social Housing Institution
sms	Short Message Service
ToT	Transfer of Tenancy
UISP	Upgrading of Informal Settlements Programme
VPNC	Virtual Private Network Connection

CHAPTER 1

INTRODUCTION

1.1 PROBLEM STATEMENT

1.1.1 The selection and allocation of beneficiaries for state subsidised housing opportunities is the responsibility of the City. In order to ensure a transparent and equitable process is followed in this regard the Human Settlements Directorate within the City developed the Allocation Policy: Housing Opportunities which sets out the criteria, processes and procedures for selecting beneficiaries for state subsidised housing and tenants when vacancies occur in existing and new rental housing properties of the City.

1.1.2 The latest review of the Allocation Policy was approved by Council on 25 March 2015.

1.1.3 Following the 2016 Local Government Elections, the City adopted the Integrated Development Plan (IDP) mandate of overturning Cape Town's legacy of apartheid spatial planning. This objective has stimulated a number of government-driven interventions spanning from a transit orientated development led approach to spatial planning focusing on housing development within economically active areas of the metropole. An unintended outcome of igniting these interventions has been a muddying of the terminology relating to housing allocation, creating confusion within the broad discourse of state subsidised housing. As such, this Allocations Policy: Housing Opportunities (2018) intends to establish delineation between the various housing categories and clearly orientate its offering toward housing allocation in the City. In this manner, and by upholding further scoping capacity to the future drafters of extended housing policies, the City hopes to establish a common lexicon relative to the various guises of state subsidised housing.

1.1.4 The City's Allocation Policy: Housing Opportunities, 2015, has, until recently, directed the way the City allocates housing opportunities to persons and households who have registered on the City's Housing Database. However, since the approval of the 2015 policy, limitations with respect to the policy's implementation were identified. These limitations were among others:

- Outlining the process for the transfer of rental units to family members other than children;
- Establishing the protocol for dealing with unlawful occupation within the City's rental housing units;
- Determining the mechanisms to deal with prospective tenants with anti-social behaviour; and

- Allocation process for housing opportunities in upgrading of informal settlements projects.

1.1.5 The Allocation Policy: Housing Opportunities, 2019, shall review and confirm the criteria for new green-field housing opportunities developed in terms of the national housing programme IRDP, housing opportunities created under the Upgrading of Informal Settlements Programme and vacancies within new and existing rental units developed in terms of the national housing programmes CRUs, Social Housing and Institutional Housing.

1.2 DESIRED OUTCOME

1.2.1 The main objective of the policy is to set out the criteria, processes, procedures and responsibilities related to:

- (a) Selecting beneficiaries for new state subsidies housing opportunities;
- (b) Selecting tenants when vacancies occur within existing and new built City owned rental housing;
- (c) Selecting tenants when vacancies occur within Social Rental Housing suitable for the households earning R5 500 and less per month;
- (d) Prioritising an exceptional housing need which deviates from date of application principle;
- (e) Establishing protocols for dealing with unlawful occupation and anti-social behaviour; and

1.2.2 Furthermore, this policy coincides with the underlying National Human Settlement Development objective which focuses on providing housing assistance to households who are unable to independently resolve their housing needs by creating and facilitating access to housing opportunities positioning Cape Town as a Caring City.

1.2.3 The effective implementation of this policy shall result in the fair, transparent, equitable allocation of housing opportunities (ownership and rental) to qualifying applicants registered on the City's Housing Database.

1.3 POLICY PRINCIPLES

In order to achieve the desired outcome as stipulated above, the Allocation Policy: Housing Opportunities is premised on the following principles:

1.3.1 TRANSPARENCY

1.3.1.1 Any person has reasonable access to this policy and the process in selecting and ranking applicants for a housing opportunity.

1.3.2 FAIRNESS

- 1.3.2.1 All persons have equal opportunity in applying for housing assistance in accordance with the applicable National Housing Programme.

1.3.3 INTEGRATION

- 1.3.3.1 This policy is implemented in a manner that promotes transversal collaboration and integration in the City.

1.3.4 SOCIAL COHESION

- 1.3.4.1 The spirit of this policy is to minimize social conflict and optimize development progress.

1.3.5 EQUITY

- 1.3.5.1 All persons have equal opportunity in applying for housing assistance in accordance with the applicable National Housing Programmes.

1.4 POLICY PARAMETERS

- 1.4.1 The focus of this policy is on the processes related to the selection of beneficiaries for a housing opportunity and the eventual allocation of that housing opportunity to the qualifying beneficiary.

- 1.4.2 This policy is therefore applicable to categories of housing opportunities developed/managed/facilitated by the City or the Western Cape Department of Human Settlements or any development by other statutory body or a private developer, where state funds are used within the geographic boundaries of the City as set out in table 1 below.

- 1.4.3 The housing opportunities developed via the following National Housing Programmes will be applicable for this policy, namely:

- the Integrated Residential Development Programme (IRDP),
- Community Residential Unit (CRU),
- Institutional Housing Programme (IHP),
- Social Housing Programme (SHP) and
- Upgrading of Informal Settlements Programme (UISP)

- 1.4.4 Chapter 2, Chapter 3 and Chapter 4 of this policy will clearly set out the implementation programme for categories A, B and C as set out in the table below, while Chapter 5 will focus on deviations and the monitoring and evaluation applicable for categories A, B and C.

Category	Income band (monthly household income)	Applicable Housing Programme as per National Housing Code	Description of housing opportunity	Tenure	Responsible Department within the Human Settlements Directorate
A	R0 – R3 500	IRDP	Greenfields or Infill housing developments resulting in BNG houses which includes serviced site and top structure or Greenfields or Infill housing developments resulting in only serviced sites (plot)	Ownership	Human Settlement Implementation
		Institutional Housing	Housing project developed and managed by Social Housing institution resulting in BNG houses which includes serviced site and top structure.	Rent to buy	Human Settlement Implementation
	R3 501 – R7 000	IRDP	Persons within this income category does not qualify for BNG housing opportunity but may purchase a serviced site at input cost (with own funding or via the FLISP as their once off housing subsidy assistance) or rent a serviced site from the City at a cost determined by the City. Persons will therefore be responsible to develop their own house without state funding.	Ownership or Rental	Human Settlement Implementation
	R1 500 – R5 500	Social Housing	Limited to rental housing opportunities developed and managed by a Social Housing Institution for persons within the R1 500 – R5 500 income category.	Rental	Social Housing and Restitution

Category	Income band (monthly household income)	Applicable Housing Programme as per National Housing Code	Description of housing opportunity	Tenure	Responsible Department within the Human Settlements Directorate
B	R0 – R10 000	CRU	Existing or new built City owned rental housing properties which include the following: Multi-storey units Row houses Cottages Duplex Hostels Pensioners' Cottages	Rental	Homeownership and Tenancy Management
			Existing pre-1994 City owned rental housing properties deemed as saleable rental units. The tenant has the option of purchasing the rental property with own funding or apply for the EEDBS subsidy.	Rental or Ownership	Homeownership and Tenancy Management
Category	Income band (monthly household income)	Applicable Housing Programme as per National Housing Code	Description of housing opportunity	Tenure	Responsible Department within the Human Settlements Directorate
C	R0 – R3 500	UISP (Phase 3 & 4)	Upgrading of Informal Settlements in situ or as part of greenfields or infill housing developments resulting in BNG houses which includes serviced site and top structure or Upgrading of Informal Settlements in situ or as part of greenfields or infill housing developments resulting in only serviced sites (plot)	Ownership	Human Settlement Implementation or Informal Settlements
	R3 501 +	UISP (Phase 3)	Upgrading of Informal Settlement in situ or as part of a greenfields or infill housing development. Persons within this income category does not qualify for BNG housing opportunity but may	Ownership or Rental	Human Settlement Implementation or Informal Settlements

			purchase a serviced site at input cost (with own funding or via the FLISP as their once off housing subsidy assistance) or rent a serviced site from the City at a cost determined by the City. Persons will therefore be responsible to develop their own house without state funding.		
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Table 1: Allocation Policy parameters

- 1.4.5 Allocations in respect of the Emergency Housing Programme and Enhanced Peoples Housing Programme are excluded from this policy since these beneficiaries are either on site or are targeted for relocation and allocation. The prescripts of the applicable National Housing Programme will apply and any City policies and guidelines related to these programmes.
- 1.4.6 Allocation in respect of FLISP, Individual Subsidy Programme, Transitional Housing as well as Inclusionary Housing are also excluded from this policy as these housing programmes are mainly demand driven. The prescripts of the respective housing policies/guidelines will apply.
- 1.4.7 Only names registered on the City's Housing Database may be utilised to source prospective beneficiaries for state subsidised housing within the City as listed in this policy, as these names are also linked to the National Housing Needs Register. Persons registered on the City's Housing Database will include persons residing in backyards, in overcrowded conditions, informal settlements or any other inadequate living conditions.
- 1.4.8 The selection of potential beneficiaries will be informed by their date of registration on the City's Housing Database except in the following instances:
- 1.4.8.1 Upgrading of Informal Settlements Programme
- 1.4.8.2 Transfer of CRU tenancies

1.5 HOUSING REGISTRATION PROCESS

- 1.5.1 The housing registration and application processes for subsidised housing opportunities are directly managed by the City of Cape Town.
- 1.5.2 Persons requiring housing assistance are required to fill in a standard Housing Needs Registration Form. These forms are available at no cost from any local housing office, the Civic Centre in Cape Town and on the City of Cape Town website www.capetown.gov.za. The application form can also be completed online via the following link: <https://web1.capetown.gov.za/web1/HWL2012Online/>.

- 1.5.3 Completed registration forms, must be returned to the nearest housing office or from the office where the form was collected. Alternatively the completed form can be emailed to housing.db@capetown.gov.za. The following supporting documentation must be submitted:
- (a) Identify documents of applicant and spouse/partner; and
 - (b) Medical forms (where applicable).
- 1.5.4 All completed registration forms (hard copies and online registrations) shall be captured onto the City's Housing Needs Register.
- 1.5.5 Registered persons will receive written confirmation from the City that their registration form has been received and captured, which will include their date of registration and registration number. Registered persons are required to retain this information as proof of their registration on the City's Housing Needs Register.
- 1.5.6 Registered persons must advise the City with regards to any changes to their personal information and circumstances and this can be updated at any housing office or Housing Needs Register walk-in centres.

1.6 STRATEGIC ALIGNMENT

- 1.6.1 The actualisation of this policy is intended to support the objectives of the City's Integrated Development Plan (IDP), the specifics of which are extrapolated upon below. Aside from this mandate, the policy is strategically aligned to the One Cape 2040 Strategy, the Economic Growth Strategy, the Social Development Strategy, the Municipal Spatial Development Framework, the Transit Orientated Development Strategic Framework, the Organisational Development Transformation Plan, the Western Cape Provincial Framework Policy for the Selection of Housing Beneficiaries in Ownership-based Subsidy Projects, the Integrated Human Settlements Coordination Framework, and the National Development Plan.
- 1.6.2 This policy is aligned to the following Strategic Focus Areas of the City's IDP:
- *The Caring City:* ensures greater access to integrated human settlements for those who need it, through the possible sale or transfer of, and allocation of, rental stock to identified beneficiaries. The Caring City provides for the needs of applicants who are registered on the City's Housing Database by ensuring housing assistance in green-field, existing, and new CRU housing opportunities, based upon the specific income levels accorded to Social Housing.
 - *The Inclusive City:* promotes responsiveness and transparency within the allocation process. The policy facilitates an environment where citizens can

be communicated with and responded to, as well as readily interrogate the allocation process through an easily interpretable and delineated set of procedures. An Inclusive City is one where all residents are given the opportunity for further advancing their livelihoods through the diversity, proximity, and support of their surrounding communities.

- *The Well-Run City:* facilitates an inclusive, fair, consistent, transparent, and equitable system as set out in this policy. In this endeavour, the City commits to its IDP mandate of being corruption free and enabling an efficient, productive administration that prioritizes service delivery.
- *The Opportunity City:* seeks to enable an asset-owning class of residents, by simplifying the ease of transfer of saleable CRUs to beneficiaries. In time, the Opportunity City wishes for residents to be able to leverage their assets to generate wealth for themselves so that their families might prosper within Cape Town.

1.7 REGULATORY CONTEXT

The following legislation and policy impacts the implementation of this policy:

- 1.7.1 The Constitution of the Republic of South Africa, 1996;
- 1.7.2 The Housing Act, 1997 (Act No. 107 of 1997);
- 1.7.3 The National Housing Code 2009;
- 1.7.4 The Consumer Protection Act, 2008 (Act No. 68 of 2008);
- 1.7.5 Western Cape Provincial Framework Policy for the Selection of Housing Beneficiaries in Ownership-based Subsidy Projects;
- 1.7.6 Western Cape Department of Human Settlements Circular C 2 of 2019;
- 1.7.7 Western Cape Department of Human Settlements Policy on assessing the disability status of housing subsidy application for the purposes of determining subsidy eligibility;
- 1.7.8 The City's Integrated Development Plan;
- 1.7.9 The City of Cape Town System of Delegations;
- 1.7.10 The City's Credit Control and Debt Collection Policy;
- 1.7.11 The City's Credit Control and Debt Collection By-law, 2006;
- 1.7.12 The City's Municipal Spatial Development Framework;
- 1.7.13 National Human Settlements Directive on housing assistance to qualifying South African struggle veterans (Reference NB/10/6/6).

CHAPTER 2

IMPLEMENTATION PROGRAMME RELEVANT TO CATEGORY A

2.1 ROLES AND RESPONSIBILITIES

2.1.1 CITY OF CAPE TOWN: HUMAN SETTLEMENTS IMPLEMENTATION DEPARTMENT

- 2.1.1.1 The Human Settlement Implementation Department within the City is responsible for managing all aspects of the new housing development including liaising with the City's Housing Allocation Oversight Committee, other municipal officials, Provincial Government representatives and the PEC on matters relating to beneficiary selection, approval and allocation and who will account to the relevant ED;
- 2.1.1.2 The Human Settlements Implementation Department must ensure that clause 2.2.3.6 and clause 2.2.3.7 of this policy form part of the conditions of sale within the deed of sale document of a BNG property.
- 2.1.1.3 The Human Settlements Implementation Department must recommend the target area for the housing development they were assigned to as well as the beneficiary quotas as determined in terms of this policy. The recommendation will be based on an analysis of the context and housing demand within the suburb(s) surrounding the location of the housing development.¹ The latter recommendation will be presented to the relevant Project Engagement Committee for their comment before final submission to obtain approval by the Executive Director Human Settlements.

2.1.2 PROJECT ENGAGEMENT COMMITTEE

- 2.1.2.1 The Human Settlements Executive Director may establish a Project Engagement Committee (PEC) for each project. The composition and functions of the PEC will be set out in a standard operating procedure to be approved by the Executive Director Human Settlements.
- 2.1.2.2 Upon establishment of the PEC, the Terms of Reference document must be completed and signed by all members of the committee and members will only operate within the prescripts of the Terms of Reference.

¹ The analyses should as a minimum requirement take the following variables into consideration: a) housing need as reflected on the City's Housing Database; b) past and planned projects within the respective sub-council or surrounding areas; c) age and disability profile within the respective sub-council or surrounding areas; d) income profile within the respective sub-council or surrounding areas if available.

- 2.1.2.3 The PEC will play an oversight role and facilitate effective communication between the City as developer and the beneficiary community for the duration of the project.

2.1.3 DIRECTOR RESPONSIBLE FOR HUMAN SETTLEMENT IMPLEMENTATION

- 2.1.3.1 The Director responsible for the implementation of human settlement developments in consultation with the relevant ED and MAYCO member may amend the target areas and beneficiary percentage allocation quota in accordance to the provision of this policy, should the analyses as done by the HIB indicate that amendments are required.

2.1.4 EXECUTIVE DIRECTOR RESPONSIBLE FOR HUMAN SETTLEMENTS

- 2.1.4.1 The ED responsible for Human Settlements within the City may in consultation with the relevant MAYCO member approve specific cases of exceptional housing need recommended by the Housing Allocation Oversight Committee for priority housing allocation ; and
- 2.1.4.2 The ED, after receiving a motivation from the Director responsible for the implementation of human settlement developments may, in consultation with the relevant Mayco member make a recommendation to the Mayor together with his/her MAYCO for a deviation from the policy in exceptional circumstances. Deviations must be well motivated by the project manager of a respective housing project.
- 2.1.4.3 The Executive Director responsible for the implementation of human settlement developments, if he/she agrees, will approve the targeted area and beneficiaries quotas based on the analyses and recommendation by the Human Settlements Implementation Department by signing-off the ARF submitted by the relevant PM.

2.1.5 HOUSING ALLOCATION OVERSIGHT COMMITTEE

- 2.1.5.1 The establishment and composition of the Housing Allocations Oversight Committee is described in the Terms of Reference for the Housing Allocations Committee.
- 2.1.5.2 The Committee must only comprise of City officials and officials from the Western Cape Department of Human Settlements. No City councillors or any politician may form part of this Committee.
- 2.1.5.3 The Committee is responsible for:
- a) Verifying that the Human Settlements Implementation Department has followed the applicable prescripts of this Policy in arriving at the project beneficiary quota by assessing and signing-off on the information in the ARF;
 - b) Monitoring the selection of applicants as potential beneficiaries according to the project-specific criteria as prescribed in this Policy;

- c) Considering cases of exceptional housing need (priority housing) brought to its attention and make recommendations to the relevant ED for his/her approval for priority housing allocation; and
- d) Making recommendations to the relevant ED on other allocation matters brought to its attention.

2.1.6 MAYORAL COMMITTEE MEMBER RESPONSIBLE FOR HUMAN SETTLEMENTS

- 2.1.6.1 The Mayoral Committee (MAYCO) member notes, considers and supports the target areas and beneficiary percentage quota as approved by the Executive Director, as per paragraph 2.1.4.3.
- 2.1.6.2 The MAYCO member may support the request for deviation from this policy, as recommended by the relevant ED and relevant Director responsible for human settlement implementation, by signing the report that will serve before the Mayor, together with the Mayoral Committee, for approval.
- 2.1.6.3 The MAYCO member may support the cases approved for priority housing by the ED: Human Settlements.

2.1.7 MAYOR AND MAYORAL COMMITTEE (MAYCO)

- 2.1.7.1 The Mayor, together with the MAYCO approves the request for deviation from this policy as supported by the Mayoral Committee member responsible for Human Settlements.

2.1.8 HOUSING INFORMATION BRANCH

- 2.1.8.1 The Housing Information Branch (HIB) manages and administers the City's Housing Database and is responsible for selecting potential beneficiaries from the City's Housing Database in accordance with the approved ARF for a housing project.
- 2.1.8.2 Ensuring that all persons registered on the City's Housing Database update their information every two years.

2.1.9 PROVINCIAL DEPARTMENT OF HUMAN SETTLEMENTS

- 2.1.9.1 The Western Cape Provincial Department of Human Settlements (The Department), based on existing arrangements with the City, grants the City certain levels of authority to access the VPNC System for the City to administer and approve housing subsidy applications;
- 2.1.9.2 The Department shall also provide the City with the necessary support to access the HSS in the absence of the City not having full access as yet; and

- 2.1.9.3 The Department will maintain permanent representatives on the City's Housing Allocation Oversight Committee.

2.1.10 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS

- 2.1.10.1 The NDHS is responsible for administering the HSS and National Housing Needs Register; and
- 2.1.10.2 The NDHS may appoint external auditors to investigate a particular allocation process.

2.1.11 APPLICANTS

- 2.1.11.1 Applicants are required to register their need for housing on the City's housing database;
- 2.1.11.2 All applicants registered must inform the HIB on any changes in personal information such as address, marital status, income, or special needs and disabilities;
- 2.1.11.3 Applicants must at all times ensure they are contactable by updating their contact details with the HIB; and
- 2.1.11.4 Applicants must co-operate with the HIB when required to update their information on the housing database every two years as from the date of registration and when personal information changes.

2.1.12 SUBSIDY ADMINISTRATOR/ SUBSIDY FACILITATOR

- 2.1.12.1 The Subsidy Administrator/Facilitator are officials from the City or appointed service providers who administer and manage the subsidy application process for the potential beneficiaries and are responsible for -
- (a) Ensuring that they only work from the list/s of applicants from the City's Housing Database, under no circumstances must any other lists or names be used;
 - (b) Ensuring that the applicants complete their housing subsidy application forms and sign Deeds of Sale;
 - (c) Ensuring that all subsidy application forms are timeously submitted to the City's housing subsidy administration unit and providing the necessary cooperation throughout the verification process;
 - (d) Assisting all applicants throughout the entire subsidy application process until the finalization thereof;
 - (e) Advising applicants in writing of the outcome of their housing subsidy application;
 - (f) Advising the Project Manager and HIB on the outcome of the beneficiary subsidy applications;
 - (g) Ensuring that all subsidy approved beneficiaries have signed a Deed of Sale for the erf allocated;

- (h) Providing the Project Manager with details of houses that were handed over to the approved beneficiaries; and
- (i) Informing applicants who did not receive approval for a housing subsidy and the reasons for not receiving approval for a housing subsidy.

2.1.13 CITY OF CAPE TOWN: SOCIAL HOUSING AND RESTITUTION SECTION

The Social Housing and Restitution section within Human Settlements is responsible for—

- 2.1.13.1 the overall project management of the delivery of the City's social housing programme;
- 2.1.13.2 It achieves this by entering into a partnership, project and funding agreements with accredited Social Housing Institutions.

2.1.14 SOCIAL HOUSING INSTITUTIONS

- 2.1.14.1 The Social Housing Institutions are responsible for facilitating the development and undertaking the management of Institutional Housing and Social Housing projects;
- 2.1.14.2 Where the City's Social Housing partners undertake a project on land allocated by the City, the City and the respective SHI will enter into a project partnership agreement;
- 2.1.14.3 The project partnership agreement will contain conditions for the allocation of units at the time of completion. Such conditions will require that the SHI sends offers to apply for accommodation to person registered on the City's housing database. It can also specify targeted spatial area from which applicants can be drawn from;
- 2.1.14.4 The Social Housing Institution must carry out its own independent screening of applicants to ensure that they meet the eligibility criteria for social housing. If applicants do not meet the regulatory requirement, then the SHI can turn down their application. Where the SHI does turn down an applicant from the City's housing database the SHI should inform the unsuccessful applicant and the City and provide reasons. In addition the SHI must inform the City of persons selected from the City's housing needs register who have taken occupation within their development.

2.2 GENERAL QUALIFYING CRITERIA

The following section will stipulate the general qualifying criteria for a housing subsidy applicable to the various spheres of government.

2.2.1 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS CRITERIA

2.2.1.1 In order to qualify for a housing subsidy, persons must also meet the criteria set out in the National Housing Code. These include:

- (a) Applicants must be 18 years or older
- (b) Earn a monthly income (together with his/her spouse) in the range as approved by the National Department of Human Settlements;
- (c) Lawfully reside in South Africa (as a citizen of the Republic of South Africa or in possession of a permanent residence permit). Certified copies of the relevant documents must be submitted with the application;
- (d) Must be legally married or cohabiting
- (e) If an applicant is single, he/she must have proven financial dependents. Financial dependents include any or a combination of the following proven financially dependent persons of, and residing permanently with, the subsidy applicant:
 - i. Biological parents or parents-in-law;
 - ii. Biological grandparents or grandparents-in-law;
 - iii. Brothers/sisters under the age of eighteen [18] years or, if older, who are proven financially dependent on the applicant;
 - iv. Children under the age of eighteen [18] years, i.e.:
 - v. Grandchildren;
 - vi. Adopted children;
 - vii. Foster children;
 - viii. Biological children;
 - ix. Any of the above persons over the age of eighteen [18] years who are still studying and who are financially dependent on the applicant; and
 - x. Extended family members who are permanently residing with the applicant due, for example, to health problems and who are therefore proven financially dependent on the housing subsidy applicant;
- (f) Be legally competent to contract
- (g) Not have previously benefited from government housing assistance directly or indirectly through a spouse; and
- (h) The applicant and his/her spouse must not have benefited from a government housing subsidy before.
- (i) Have not owned fixed residential property

Special considerations:

- (j) Persons who have owned fixed property before may be eligible for the purchase of a vacant serviced site at market related cost or for a non-saleable rental CRU unit.
- (k) Applicants who are disabled or aged (60 years and older) or proven military veterans (as recognised by the National Department of Defence and Military Veterans) can apply for a housing subsidy as a single person, thus without proven financial dependents.

- (l) Applicants who do not qualify for a housing subsidy may still be offered a housing opportunity based on terms of the specific criteria for non-qualifiers of the particular National Housing Programme applicable to the development for which they have been selected.

2.2.2 PROVINCIAL DEPARTMENT OF HUMAN SETTLEMENTS CRITERIA

- 2.2.2.1 The City must adhere to provisions as stipulated in the Western Cape Department of Human Settlements Circular C.2 of 2019 titled:

The prioritisation of households headed by middle-aged and elderly individuals in the selection of beneficiaries in greenfields projects for ownership-based products.

- 2.2.2.2 The Circular stipulates that a person 30 years and older who were selected for a housing opportunity and qualifies for a housing subsidy will be prioritised within a housing project and will receive a serviced site and top-structures (BNG house). Persons younger than 30 years of age will not be deemed as a priority – with the exception of person with disabilities – and will only receive a serviced site within the project they were selected for if the project can accommodate serviced sites.

2.2.3 CITY OF CAPE TOWN CRITERIA

- 2.2.3.1 Persons will be selected according to their date of registration on the City's housing database with the exception of occupants of informal settlements identified for relocation as part of a IRDP housing project as well as approved priority housing allocation cases. Thereafter, selected persons will be screened in terms of the National and Provincial qualifying criteria as per paragraphs 2.2.1 and 2.2.2.
- 2.2.3.2 In the event where persons are selected for a specific housing project and they do not meet the qualifying criteria of that specific housing programme, the City may use its discretion to offer an alternative housing opportunity based on the national prescripts of that specific national housing programme.
- 2.2.3.3 Persons who change their address on the housing database within the target area of the project after the first release of the names to the project manager by the HIB will not be considered for that project;
- 2.2.3.4 The Subsidy Administrators or service providers hired by the City may not qualify for housing opportunities in the project/s for which they are contracted;
- 2.2.3.5 Only relevant Human Settlements officials of the City may play a role in the procedures relating to the:
 - (a) issuing of housing subsidy application forms;
 - (b) the selection of beneficiaries;
 - (c) the allocation of houses in new housing projects; or

- (d) rental selection and allocations.
- 2.2.3.6 Approved beneficiaries in any of the City's housing projects must take-up residence of the property within 24 hours of receiving the key. The City reserves the right to act against a beneficiary who is in breach of this paragraph. The action that may be taken is as follows:
- (a) cancellation of the approved subsidy on the housing subsidy system (HSS);
 - (b) re-allocate the housing opportunity to the next qualifying persons on the City's housing database (in date of registration order) in accordance with the approved Allocation Request Form (ARF) of that housing project.
 - (c) In order to prevent 2.2.3.6 (a) and (b) the project manager must ensure that beneficiaries are informed 2 weeks prior to the key handover;
- 2.2.3.7 Approved beneficiaries shall not let or sub-let the property until the transfer of the property has been registered. If in breach, the City reserves the right to allocate and transfer the property to the next qualifying person on the City's housing database;
- 2.2.3.8 Paragraph 2.2.3.6 and paragraph 2.2.3.7 must form part of the conditions of sale within the deed of sale document of a BNG property and must be communicated to the beneficiary by the project team of the respective housing project;
- 2.2.3.9 Once the recommendation for the target area and beneficiary allocation quota has been approved by the relevant Executive Director, the HIB shall apply the selection criteria to compile a list of potential beneficiaries;
- 2.2.3.10 HIB shall check the potential beneficiaries against the City's tenant register first to determine who is in good standing in terms of the rental account;
- 2.2.3.11 The HIB and Project Manager will analyse the outcome of the lists to ensure that reasonable application dates and age applies for the project. Should the selection of beneficiaries from the database indicate that applicants with more recent application dates will be considered because of the low numbers of applicants then a change in the beneficiary percentage quota may be recommended by the Director for approval by the relevant ED in consultation with the relevant MAYCO member;
- 2.2.3.12 This list and request for applicants to present themselves will be made available at the local housing office or designated venue, *inter alia*, on the local housing office boards, in the local newspaper, libraries, project site office or through other media channels as determined by the Project Manager and PEC for a set period of time, as well as through the contact details stipulated by the applicant. This process shall be managed by the City;

2.2.3.13 Persons from the City's housing database, who cannot be contacted after three months from the date the lists were first displayed, after exhausting all attempts to make contact (i.e. telephonic contact, sms, registered mail, visit to address on database), will be deemed unresponsive and marked as "DORMANT" on the database by HIB and will be replaced by other applicants. This action of replacing dormant applicants shall be repeated until such time as enough qualifying applicants have been identified for the project. If the "dormant" person comes forward after the full beneficiary compliments of the project has been reached, the person will not be able to be accommodated in that respective housing project, but HIB may re-instate their record on the database.

2.2.3.14 Approved beneficiaries (persons who have been selected and approved for the housing project) who cannot be traced after extensive attempts² to take occupation of the house will have to be de-registered on the Housing Subsidy System (HSS) and the Project Manager must ensure that the Provincial Department of Human Settlements receives this request. The housing opportunity will therefore be offered to the next qualifying persons on the City's housing database. The Project Manager must keep record of attempts made to contact the beneficiary i.e. telephonic contact, sms, registered mail, visit to address on database, notice at housing project office and email to local ward councillor³.

2.2.3.15 A Person's date of application on the housing database may not be transferred or inherited by children or any other member of the family with the exception of the registered spouse/partner on the City's Housing database.

2.3 SELECTION CRITERIA FOR BREAKING NEW GROUND (BNG) HOUSING OPPORTUNITIES VIA IRDP

2.3.1 The selection of potential beneficiaries is done on a project-specific basis based on the profile and the housing demand of the suburb(s) surrounding the parcel of land for the intended housing project. The project-specific beneficiary quotas for the housing opportunities provided by a project must include:

- (a) Persons registered on the housing database from identified target areas in date of registration order⁴;

² Extensive attempts suggest that the Project Manager has at least attempted to contact the beneficiary through three different methods on three separate occasions (days) i.e. telephonic contact, sms, registered mail, visit to address on database, notice at municipal housing office.

³ If requested, the local ward councilors must provide evidence of contact made with the prospective beneficiary

⁴ The targeted area will be expanded progressively in future projects to ultimately include all suburbs of the City of Cape Town.

- (b) Persons registered on the housing database from outside the target areas (i.e. the greater City of Cape Town) in date of registration order;
- (c) Households from informal settlements/areas inside the target areas (who may not necessarily be registered on the housing database) when required⁵ and
- (d) Persons registered on the housing database under the special needs category from inside the target areas first, and thereafter from outside the target areas only if more applicants are needed to reach the required percentage/numbers as recorded on the Allocation Request Form (ARF). Persons within this category must be prioritised and will be selected in terms of their date of registration on the City's housing needs register except for proven military veterans and victims as listed on the TRC report.⁶

2.3.1.1 The overall percentages/quotas for the categories listed above must amount to 100 percent.

2.3.2 To achieve the desired integration of the different communities in Cape Town, the following principle must be adhered to:

- (a) **Between 0 to 80** percent of the total number of housing opportunities the project will deliver **must** be allocated to qualifying persons within the identified **target area**. The categories covered under the **target area** must include (i) and (ii) and may include (iii) and (iv) when the need arises as stated below:
 - i. Persons registered on the City's Housing Database whose address forms part of the target area will be selected in date of registration order. The address recorded on the City's Housing database will be used as the residential address at the time of selection;
 - ii. Persons within the Special Needs Category registered on the City's Housing Database within the target area will be selected in date of registration order with the exception of section (c) and (e) of the Special Needs category. ;
 - iii. Optional category: priority housing allocation cases as approved by the relevant ED when applicable. This relates to item (g) of the Special Needs category. Persons will not be selected in terms of their date of registration on the City's housing needs register. ;
 - iv. Optional targeted allocation category: Informal Settlements/Area within the target area identified for relocation. The date of registration principle will not apply for this category as the intention is to relocate occupants.

⁵ This principle will only apply when the need arises to relocate all or a portion of the occupants of an informal settlement and is therefore not mandatory to include in all housing projects under that category.

⁶ In terms of the National Human Settlements Directive proven military veterans and victims listed on the TRC report must be prioritised with housing regardless of whether they are registered on a municipal housing database.

(b) **The balance** of the total number of housing opportunities the project will deliver **must** be allocated to qualifying persons from outside the target area. The categories covered under **outside of the target area** are as follows:

- i. Persons registered on the City's Housing Database within the greater City of Cape Town (across the whole City's jurisdiction) will be selected in date of registration order;
- ii. Optional category: Persons within the Special Needs Category registered on the City's Housing database within the greater City if required as stated in paragraph 2.3.1 (d) will be selected in date of registration order;
- iii. Optional category: priority housing allocation cases as approved by the relevant ED when applicable. This relates to item (g) of the Special Needs category. Persons will not be selected in terms of their date of registration on the City's housing needs register

Item	Source Area	Beneficiary selection criteria
Housing Project	Target Area Between 0 - 80% of total number of housing opportunities the project will deliver	Mandatory criteria: Persons registered on the City's Housing Database within the target area will be selected in date of application order
		Mandatory criteria: Persons within the Special Needs Category registered on the City's Housing Database within the target area will be selected in date of application order
		*Optional criteria: Priority housing allocation cases if required
		*Optional criteria: (Targeted allocation) Informal Settlements/Informal Areas that needs to be cleared or de-densified. Date of registration principle does not apply in this instance
	Outside Target Area The balance of the total number of housing opportunities the project will deliver	Mandatory criteria: Persons registered on the City's Housing Database within the greater City of Cape Town will be selected in date of application order
		*Optional criteria: Person within the Special Needs category registered on the City's Housing Database outside of the target area will be selected in date of application order if required or priority housing allocation cases if required

Table 2: Beneficiary selection for BNG housing opportunities via the IRDP

2.3.3 A qualifying applicant who is a tenant or spouse of the tenant in City rental units will only be allocated an opportunity to a serviced site and/or top structure on condition that –

- (a) the tenant has no arrears,
- (b) the tenant has no record of anti-social behaviour; and
- (c) the tenant ensures that no other persons will remain behind in the rental property including front and backyards.

2.3.4 The Human Settlements Implementation Department shall recommend the target area and project beneficiary quota for the respective housing projects within this chapter. This recommendation will be presented to the PEC of the respective housing projects for their comment before a formal submission (signed ARF) is made to ED: Human Settlements for his/her approval.

2.3.5 During this process, the HIB shall use basic criterion of the project location to draw up a list of applicants in the areas and send letters to applicants requesting applicants to update the details or use other means to inform applicants to come forward to update their information.

2.3.6 Persons who have been selected for a particular housing project and who do not meet the national qualifying criteria for a housing subsidy may be assisted as follows:

2.3.6.1 Households whose income exceeds R3 500 per month but less than R7 000 should be awarded the opportunity to purchase a vacant serviced stand at input cost or apply for a subsidy under (FLISP) to cover the input cost.⁷ The latter FLISP subsidy will be recognised as the applicant's once off housing subsidy assistance and therefore he/she will not be eligible to apply for a housing subsidy again.

2.3.6.2 Households whose income exceeds R7 000 per month should be awarded the opportunity to buy a vacant serviced site at the current market value of the properties as determined by the municipality.

2.4 SELECTION CRITERIA FOR INSTITUTIONAL HOUSING PROGRAMME

2.4.1 Institutional Housing Programme is a rent-to-buy tenure options for qualifying households who earn between R0 – R3500 per month and follows the prescripts as set out in the National Housing Code;

2.4.2 Institutional housing is developed and managed by an accredited housing institution as set out in the National Housing Code;

2.4.3 The housing institutions may liaise with the City to obtain names of persons registered on the City's housing database who fit the criteria for institutional housing as stipulated in the National Housing Code;

⁷ The input cost takes into consideration the following aspects: the land acquisition cost; the cost of providing the basic municipal engineering services where such were funded from the housing allocation; the cost related to the township establishment process; and any applicable transfer costs.

- 2.4.4 Once a person – selected from the City's housing database – has an approved subsidy and they are occupying the property, the housing institution must inform the City in order for the City to update the person's records on the housing database.

2.5 SELECTION CRITERIA FOR SOCIAL HOUSING

- 2.5.1 Social Housing is a rental tenure option for qualifying households who earn between R1 500 – R15 000 per month and follows the prescripts as set out in the National Housing Code. The Social Housing regulations, as stipulated in the National Housing Code (2009) require that rentals target varying percentages for different income groups. A new development must contain a minimum of 30% at rental affordable to the primary income group i.e households with a monthly income of between R1 500 – R 5 500. Applicants from the City's housing database are mainly targeted at the latter primary' income group on any new social housing development and form part of the parameters of this policy.
- 2.5.2 The partnership agreement between the Social Housing Institution and the City on any new Social Housing project will stipulate the allocation of beneficiaries which may prioritise certain geographical areas or income groups in order to achieve the development objectives of the City. The latter will be informed by the housing demand and profile of the suburb (s) surrounding the location of the Social Housing project.
- 2.5.3 On the basis of conditions contained in the project agreement the Social Housing Institutions must liaise with the City to obtain names of persons registered on the City's housing database with a regular monthly household income of between R1 500 – R5 500 who fits the criteria for social housing and who have indicated that they are prepared to live in a rental unit and are willing and able to pay rent.
- 2.5.4 The SHI will send those potential applicants notification that they can apply. Those who do apply will be screened by the SHI (in line with Social Housing Regulations) in order to determine whether the applicant is eligible as a Social Housing tenant.
- 2.5.5 Successful applicants will receive the offer of a unit and thereafter the SHI will inform the City thereof.
- 2.5.6 Furthermore, the SHI will write to any unsuccessful applicant from the City's housing database as well as the City providing reasons why the applicant was not successful.

CHAPTER 3

IMPLEMENTATION PROGRAMME RELEVANT TO CATEGORY B

3.1 ROLES AND RESPONSIBILITIES

3.1.1 EXECUTIVE DIRECTOR RESPONSIBLE FOR HUMAN SETTLEMENTS

3.1.1.1 The ED may, in consultation with the relevant MAYCO member, approve specific cases of exceptional housing need recommended by the Housing Allocation Oversight Committee for priority rental housing allocation.

3.1.1.2 The ED, after receiving a motivation from the Director responsible for the implementation of human settlement developments may, in consultation with the relevant Mayco member make a recommendation to the Mayor together with his/her relevant MAYCO for a deviation from the policy in exceptional circumstances. Deviations must be well motivated by the Cases Committee.⁸

3.1.2 PROJECT ENGAGEMENT COMMITTEE

3.1.2.1 A project engagement committee will be established for all new CRU developments and hostel upgrades;

3.1.2.2 The establishment, composition and functions of the PEC will be based on an internal standard operating procedure to be approved by the Executive Director: Human Settlements;

3.1.2.3 Upon establishment of the PEC, the Terms of Reference document must be completed and signed by all members of the committee and members will only operate within the prescripts of the Terms of Reference..

3.1.2.4 The PEC will play an oversight role and facilitate effective communication between the City as developer and the approved beneficiaries for the duration of the project.

3.1.3 PUBLIC HOUSING: TENANCY MANAGEMENT DEPARTMENT

3.1.3.1 The Public Housing: Tenancy Management Department is responsible for the overall tenancy management of the City owned rental housing properties and the transfer of ownership to eligible tenants of City owned saleable rental housing properties.

⁸ Deviation must be in line with the Standard Operating Procedure for deviations.

3.1.4 HOUSING ESTATE OFFICES

3.1.4.1 The Housing Estate offices are responsible for:

- (a) Advising the HIB of any CRU rental vacancies that must be filled by applicants on the housing database; and
- (b) Entering into renewable two-year lease agreements with tenants identified in terms of this policy, and advise the HIB accordingly.

3.1.5 HOUSING INFORMATION BRANCH

3.1.5.1 The HIB manages and administers the City Housing Database and is responsible for identifying and submitting the details of the next qualifying person on the database, according to the order provided by the date of registration. The HIB pursues this function when advised of a vacancy in the City's existing rental housing properties.

3.1.5.2 When drawing a list of names from the City's Housing Database for a BNG housing project, HIB must verify the presence of any CRU tenants and confirm with the relevant housing estate office whether any outstanding arrears or rental services exist.

3.1.6 CASES COMMITTEE

3.1.6.1 The establishment and composition of the Cases Committee is described in the Cases Committee Terms of Reference and is responsible for:

- (a) Addressing complex tenancy matters and cases arising in the Public Housing: Tenancy Management Business Unit, within the Human Settlements Directorate. The Committee has been established to assist the Manager: Tenancy Management to make transparent, consistent and equitable decisions over complex matters related to tenancies;
- (b) Ensuring that decisions and recommendations are made in the best interest of the City and in accordance with relevant city, provincial and national policies, by-laws and applicable legislation;
- (c) Assisting in the development, review, evaluation and monitoring of policy and guidelines impacting on the functions of the Tenancy Management Business Unit.

3.1.7 HOUSING ALLOCATION OVERSIGHT COMMITTEE

3.1.7.1 The establishment and composition of the Housing Allocations Oversight Committee is described in the Terms of Reference for the Housing Allocations Committee.

3.1.7.2 The Committee must only comprise of City officials and officials from the Western Cape Department of Human Settlements. No municipal councillors or any politician may form part of this Committee.

3.1.7.3 The Committee is responsible for:

- a) Verifying that the relevant line department has followed the applicable prescripts of this Policy in arriving at the project specific targeted areas and beneficiary quotas by assessing and signing-off on the information in the ARF for new built CRUs;
- b) Monitoring the selection of applicants as potential beneficiaries according to the project-specific criteria as prescribed in this Policy;
- c) Considering cases of exceptional housing need (priority housing) brought to its attention and make recommendations to the relevant ED for his/her approval for priority housing allocation; and
- d) Making recommendations to the relevant ED on other allocation matters brought to its attention.

3.1.8 MAYORAL COMMITTEE MEMBER RESPONSIBLE FOR HUMAN SETTLEMENTS

3.1.8.1 The MAYCO member notes and may support the cases approved for priority housing by the ED for Human Settlements.

3.1.8.2 The MAYCO member supports or does not support the request for deviation from this policy, as recommended by the relevant ED and relevant Director responsible for Homeownership and Tenancy Management. If the MAYCO member supports the deviation he/she will do so by signing the report that will serve before the Mayor together with MAYCO for approval.

3.1.9 MAYOR AND MAYORAL COMMITTEE (MAYCO)

3.1.9.1 The Mayor together with MAYCO approve the request for deviation from this policy as supported by the MAYCO member responsible for Human Settlements.

3.2 GENERAL QUALIFYING CRITERIA

The following section will stipulate the general qualifying criteria for municipal owned rental housing applicable to the NDHS and the City of Cape Town.

3.2.1 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS CRITERIA

- 3.2.1.1 In order to qualify for a City owned rental housing opportunity via the CRU Programme, persons must meet the criteria set out in the National Housing Code. These include:
- (a) Applicant must be 18 years or older
 - (b) Earn a monthly income (together with his/her spouse/partner) in the range as approved by the National Department of Human Settlements;

- (c) Lawfully reside in South Africa (as a citizen of the Republic of South Africa or in possession of a permanent residence permit). Certified copies of the relevant documents must be submitted with the application;
- (d) Be legally competent to contract;
- (e) Must not have benefited from a housing subsidy before;

Special considerations:

- (f) Person who owned fixed property before may apply for rental housing if they comply with the criteria stated above from (a) – (e);
- (f) Single persons may apply for rental housing if they comply with the criteria stated above from (a) – (e)

3.2.2 CITY OF CAPE TOWN CRITERIA

- 3.2.2.1 If a tenant is selected for a BNG housing opportunity and the HIB detects rental and services arrears as per paragraph 3.1.5.2, the tenant will have to settle their arrears in line with the City's Credit Control Policy and Credit Control and Debt Collection By-law, 2006 in order to form part of the housing project he/she was selected for;
- 3.2.2.2 Tenants who are unable to complete the conditions of paragraph 3.2.2.1 will not form part of the housing project they were selected for. They will retain their record on the housing database and will have to wait their turn to be selected for a future housing project after the arrears has been settled;
- 3.2.2.3 Allocations within category B cannot be made according to family size and composition. Persons, who have waited the longest on the City's Housing Database and are in desperate need of housing, may be allocated smaller units, subject to their written agreement thereto when the offer is made;
- 3.2.2.4 Persons who are current residential property owners may not qualify for a City owned rental housing opportunity.
- 3.2.2.5 Persons who are part property owners through inheritance may be eligible to be considered for City owned CRU on condition that they are not physically occupying the property that they partially own and if ownership percentage is 50% (percent) or less.

3.3 SELECTION CRITERIA FOR NEW BUILD CRUs

- 3.3.1 A new CRU is a new building/residential complex – primarily, a high-rise multi-storey building – developed by the City on a vacant site as per the prescripts of the CRU Policy in the National Housing Code with no predetermined beneficiaries⁹.
- 3.3.2 The selection of potential beneficiaries is done on a project-specific basis based on the profile and the housing demand of the suburb(s) surrounding the parcel of land

⁹ The developer and managing agent of the new build rental accommodation is subject to any changes in National Human Settlements Policy.

for the intended housing project. The project-specific beneficiary quotas for the housing opportunities provided by a project must include:

- (a) Persons registered on the City's Housing Database from the target areas in date of registration order;
- (b) Residents from informal settlements inside the target areas if identified for relocation;
- (c) Persons registered longest on the housing database from outside the target areas in date of registration order; and
- (d) Persons with special needs from inside the target areas first, and if necessary, from those registered the longest on the database from outside the target areas;

3.3.3 To achieve the desired integration of the different communities in Cape Town, the following must be adhered to:

- (a) **Between 0 to 80** percent of the total number of housing opportunities the project will deliver **must** be allocated to qualifying applicants within the target area. The categories covered under the **target area** must include (i) and (ii) and may include (iii) and (iv) when the need arises as stated below:
 - i. Persons registered on the City's Housing Database whose address forms part of the target area will be selected in date of registration order. The address recorded on the City's Housing database will be used as the residential address at the time of selection;
 - ii. Persons within the Special Needs Category registered on the City's Housing Database within the target area will be selected in date of registration order with the exception of item (c) and (e) of the Special Needs category.
 - iii. Optional category: priority housing allocation cases as approved by the relevant Executive Director when applicable. This relates to item (g) of the Special Needs category. Persons will not be selected in terms of their date of registration on the City's housing needs register. The date of registration principle will not apply for this category;
 - iv. Optional targeted allocation category: Informal Settlements/Area within the target area identified for relocation. The date of registration principle will not apply for this category as the intention is to relocate occupants.
- (b) **The balance** of the total number of housing opportunities the project will deliver **must** be allocated to applicants from outside the target area. The categories covered under outside of the target area include:
 - i. Persons registered on the City's Housing Database within the greater City of Cape Town (across the whole City's jurisdiction) will be selected in date of registration order;
 - ii. Optional category: Persons within the Special Needs Category registered on the City's Housing database within the greater City

of Cape Town if required as stated in paragraph 3.3.2 (d) will be selected in date of registration order;

- iii. Optional category: priority housing allocation cases as approved by the relevant ED when applicable. This relates to item (g) of the Special Needs category. Persons will not be selected in terms of their date of registration on the City's housing needs register. The date of registration principle will not apply for this category,

Item	Source Area	Beneficiary selection criteria
Housing Project	Target Area Between 0 - 80% of total number of housing opportunities the project will deliver	Mandatory criteria: Persons registered on the City's Housing Database within the target area will be selected in date of application order
		Mandatory criteria: Persons within the Special Needs Category registered on the City's Housing Database within the target area will be selected in date of application order
		*Optional criteria: Priority housing allocation cases if required
		*Optional criteria: (Targeted allocation) Informal Settlements/Informal Areas that needs to be cleared or de-densified. Date of registration principle does not apply in this instance
	Outside Target Area The balance of the total number of housing opportunities the project will deliver	Mandatory criteria: Persons registered on the City's Housing Database within the greater City of Cape Town will be selected in date of application order
		*Optional criteria: Person within the Special Needs category registered on the City's Housing Database outside of the target area will be selected in date of application order if required or priority housing allocation cases if required

Table 3: Beneficiary selection for new built CRUs

3.3.4 This policy makes provisions to accommodate between 25 and 40 percent of the total number of units in new City rental stock to households with a monthly joint income of greater than R3 500 but not more than R15 000, provided they pay an additional fee on the following basis:

- (a) Where the monthly income ranges between R3 501 and R7 500 the rental payable is the relevant rental for the unit plus 8% on the amount exceeding R3 500. A two (2) year lease agreement will be signed which will not be renewed if the income is more than R10 000;
- (b) Where the monthly income is between R7 501 and R10 000 the rental payable is the relevant rental for the unit plus 10% on the amount exceeding R7 500. A two (2) year lease agreement will be signed which will not be renewed if the income is more than R10 000; and
- (c) Where the monthly income exceeds R15 000 the tenant will not be signed up for a CRU unit.

3.4 SELECTION CRITERIA FOR EXISTING CRU

3.4.1 VACANCIES

3.4.1.1 Vacancies in existing CRU stock must immediately be offered to current tenants as a rightsizing opportunity where the need has been identified by the area manager, prior to any other action;

3.4.1.2 Should a tenant accept the opportunity to be rightsized, their vacated CRU must be offered to the applicant from the housing database in date of registration order; and

3.4.1.3 If there is no need for a rightsizing opportunity, the vacancy shall be offered to the applicant from the housing database in date of registration order.

3.4.1.4 Despite the prescribed national qualifying monthly household income for CRUs, this policy makes provisions to accommodate households with a monthly joint income up to R10 000 within existing CRU opportunities and hostel upgrades. The following principles will apply in terms of household income:

- (a) Where the monthly joint income (tenant and spouse) ranges between R3 501 and R7 500 the rental payable is the relevant rental for the unit plus 8% on the amount exceeding R3 500. A two (2) year lease agreement will be signed which will not be renewed if the income is more than R10 000;
- (b) Where the monthly joint income is between R7 501 and R10 000 the rental payable is the relevant rental for the unit plus 10% on the amount exceeding R7 500. A two (2) year lease agreement will be signed which will not be renewed if the income is more than R10 000; and
- (c) Where the monthly joint income exceeds R10 000 the tenant will be required to pay the relevant rental for the unit, the additional charges as stipulated in (a) and (b), plus 25% on the amount exceeding R10 000. A two (2) year lease agreement will be signed which will not be renewed if the income remains more than R10 000.
- (d) Where a transfer of tenancy (ToT) is requested by a person from the original household and the monthly income exceeds R10 000 the above mentioned principle (c) will apply.

3.4.2 TRANSFERS TO OTHER UNITS

- 3.4.2.1 Tenants who apply for a transfer to other CRUs or an ownership housing opportunity will have their transfer request dates integrated on the housing database, along with applicants still waiting for a housing opportunity. Thus, their transfer request date will be considered as their new registration date and not their tenancy commencement date;
- 3.4.2.2 Tenants will be assisted as per their transfer request date order, as captured on the housing database;
- 3.4.2.3 Tenants who have been transferred must first give a written undertaking that they will provide the City with a vacant CRU (including the back and front yard) upon their departure; and
- 3.4.2.4 Tenants are not allowed to swap rental units outside the formal transfer processes. The City reserves the right to act against a beneficiary who is in breach of this paragraph.

3.4.3 TRANSFER OF TENANCY

There are various circumstances that could lead to a tenancy being cancelled while there are persons, usually dependents of the tenant, still residing in the rental unit. The City makes provision to consider the possible transfer of a tenancy of a rental unit to one of the persons who remain behind on condition that they meet the criteria as stipulated in clauses 3.4.3.1 – 3.4.3.7 below. Failing to meet the criteria as stipulated below will result in all occupants to vacate the rental unit. The following conditions will apply for the following circumstances:

- 3.4.3.1 **In the event of divorce**, the tenancy will be transferred to the spouse who has been granted custody of the minor children of the marriage or by mutual agreement. If no mutual agreement is reached, an amended divorce decree needs to be produced regarding the continued occupation of the premises concerned. In the case of no minor children the divorce decree must stipulate which party should be considered for transfer of the tenancy. Once a party has moved out he/she has no future claim to the tenancy;
- 3.4.3.2 **In the event of separation or desertion**, the tenancy may be transferred to the spouse/ partner or other family member in occupation of the premises following the absence by the tenant of more than three (3) months. The tenancy commences the day following submission of the affidavit by the spouse or partner in occupation confirming the absence of the tenant. Due legal process is to be followed, including due notice having been made to the absent tenant, where this is possible;
- 3.4.3.3 **In the event of marriage or cohabitation**, the tenancy may be transferred to the spouse only on written consent of the tenant;
- 3.4.3.4 **In the event of the death of tenant**, the tenancy may be transferred to the surviving spouse/ partner, who must be in occupation of the premises, on the

death of the tenant¹⁰. The tenancy commences the day following the death of the tenant as recorded on the death certificate;

3.4.3.5 In the event of death of the surviving partner/spouse, the following will apply:

- (a) Where the remaining occupants are the minor children of the deceased tenant, the tenancy may be transferred to a legally appointed guardian, taking full responsibility for the tenancy, until the eldest child reaches the age of 18 years when responsibility for the tenancy will be reviewed; or
- (b) Where there are no minor child/children the tenancy may be transferred to a family member on condition that:
 - (i) he/she is part of the original family housed (appear on the current family form) and has been living with the tenant for an unbroken period of at least two (2) years leading up to the death of the tenant. Adequate proof of address must be submitted. The proof provided must not be older than five years prior the death of the tenant; or
 - (ii) he/she was living on the property since birth and has been living with the tenant for an unbroken period of at least two (2) years leading up to the death of the tenant. Adequate proof of address must be submitted and must not be older than five years prior to the death of the tenant;
- (c) If more than one family member is eligible¹¹ for the tenancy, a recommendation by the local housing offices will be made in consultation with the family based on the family and tenancy history. If no consensus can be reached by the family within 30 days after being requested to do so in writing, then a final decision will be made by the City's Cases Committee based on additional criteria which includes the following:
 - (i) Duration of stay at current rental unit will be taken into consideration i.e. the person with the least interrupted stay will take preference;
 - (ii) Chronological age will apply i.e. the eldest person who satisfies the eligibility criteria will take preference;
 - (iii) Income status will apply i.e. a family member with a stable income will take preference.

3.4.3.6 In the case where a tenant vacates the property or chooses to relinquish the tenancy, a transfer may be considered in terms of national qualifying criteria to the remaining occupants provided that they are a family member of the relinquishing tenant and have been part of the original family housed (appear on the current I family form) or was living on the property since birth and have been living with the tenant for an unbroken period of at least two (2) years leading up to the tenant relinquishing his/her tenancy. Adequate proof of address must be submitted. The proof provided must not be older than five year prior to the relinquished date.

¹⁰ Cases with exceptional circumstances for example where the spouse/partner had to vacate the premises due to violence or abuse may be submitted to the Cases Committee for further scrutiny and recommendation.

¹¹ Qualify in terms of the national criteria for Community Residential Units and in terms of clause 3.4.3.5 (b) of this policy.

- 3.4.3.7 Occupants who have a record of anti-social behaviour (12 months prior to a transfer of tenancy application) will not be considered for the tenancy.

3.4.4 UNLAWFUL OCCUPATION OF CITY'S RENTAL HOUSING UNITS

3.4.4.1 Only unlawful occupants, who fits the description as per item (c) of the definition, who were in occupation prior to the approval date of this policy will be considered for regularisation of tenancy subject to them meeting the national qualifying criteria for CRUs, but not necessarily in the accommodation they presently occupy. In addition the unlawful occupant must meet the following eligibility criteria:

- (a) Must be registered on the City's Housing Database
- (b) Monthly household income must not exceed R10 000.00
- (c) The prospective tenant and family must personally occupy the premises
- (d) Neither the prospective tenant nor his/her spouse/partner must be current property owners
- (e) Have no proven record of anti-social behaviour

3.4.4.2 The unlawful occupant will have to submit adequate proof that he/she moved in prior to the cut-off date as stated in paragraph 3.4.4.1. The proof of address provided must not be older than five years prior the cut-off date.

3.4.4.3 Failing to meet the criteria as stipulated in clauses 3.4.4.1 and 3.4.4.2 will result in all occupants having to vacate the CRU. The City will institute legal action if occupants fail to vacate the unit.

3.4.4.4 The prospective tenant will be liable for the rental from the date of signing of the rental contract unless there has been a delay in finalizing the tenancy, in which case the following would apply:

- (a) Should there be a delay in finalizing the tenancy due to administrative error, the rental account may be adjusted for a maximum period of one year from the date of the signing of the rental contract.
- (b) Should there be a delay in finalizing the tenancy due to negligence on the part of the prospective tenant; the rental account may be adjusted for a maximum period of three years from the date of the signing of the rental contract.

3.4.4.5 Where possible the prospective tenants and his/her household will be moved to a suitable dwelling more appropriate in size and type provided existing tenants waiting for a transfer of tenancy are not disadvantaged.

3.4.4.6 In the event of a dwelling being occupied unlawfully by more than one family, regularisation will be deemed to include the household as opposed to an individual family. Therefore, the household, irrespective of the number of

families, will be concluding the lease agreement. This will preclude the other household members from claiming the tenancy later on should the tenancy be terminated for whatever reason.

- 3.4.4.7 Unlawful occupants of City owned properties against which land restitution claims have been registered will not be considered for regularisation in respect of these properties but will be offered alternative letting accommodation elsewhere provided they qualify in every other respect.

3.4.5 RIGHTSIZING

3.4.5.1 The City will exercise its discretion to place families in accommodation that is appropriate for their needs and income as and when the City becomes aware of the situation or the need arises and based on availability of units.

3.4.5.2 Rightsizing from a small unit to a large unit can only be considered if tenants meet the following qualifying criteria:

- (a) Good standing tenant in terms of the lease agreement for the past 2 years;
- (b) Household size must be relative to the accommodation required;
- (c) Households who are in a financial position to afford the larger unit;
- (d) The tenant's transfer request date will also be taken into consideration; and
- (e) Have no record of anti-social behaviour for the preceding 12 months.

3.5 SELECTION CRITERIA FOR HOSTEL UPGRADES

3.5.1 A hostel upgrade is different to a new built CRU as the beneficiary community is already known to the City. In most instances, existing hostel buildings require refurbishment, conversion, or complete reconstruction. A hostel upgrade is viewed as a new building, with self-contained units in open space, as part of hostel sites densification, or to replace demolished buildings.

3.5.2 Allocations to the upgraded hostel will be done in accordance with the relevant prescripts of the National CRU Programme¹², as administered by the local housing office. Therefore only persons occupying the hostel building identified for upgrade or hostel bed card holders in the informal structures located around the hostel building will be considered for this project and not persons who are deemed as backyarders¹³; and

3.5.3 Vacancies per area will be filled from the area based list of families referred to as 'displaced persons'. When the latter list of names is exhausted, the standard allocation process for rental opportunities, as pre-scribed in this policy, will apply. The local housing office will be responsible for this allocation.

¹² Only persons occupying the Hostel building will be eligible for the Hostel Upgrade project.

¹³ Persons claiming to be hostel bed card holders must provide adequate proof in the forms of lodges card or any formal reference to Hostel accommodation recognised by the City.

3.6 SELECTION CRITERIA FOR PENSIONERS RENTAL COTTAGES

3.6.1 Aged applicants on the database and existing aged tenants may request transfers to rental housing for the aged that are more appropriate for their needs. In addition to the date of registration order principle the following criteria must also be met:

(a) The applicant and partner must be over the age of sixty (60); and

(b) Applicant and/or partner must be able to care for themselves or each other,

3.6.2 The pensioners' cottages are intended for aged persons (60 years and older) and are not suitable for families. The tenant and spouse/partner must be 60 years and older. If in breach of this provision the City may rightsize the tenant and spouse/partner to a suitable rental dwelling as soon as it becomes available.

CHAPTER 4

IMPLEMENTATION PROGRAMME RELEVANT TO CATEGORY C

4.1 ROLES AND RESPONSIBILITIES

4.1.1 CITY OF CAPE TOWN: INFORMAL SETTLEMENTS DEPARTMENT

- 4.1.1.1 The Informal Settlements Department is responsible to identify and prioritise informal settlements for upgrading up to phase 3 and phase 4 in terms of the Upgrading of Informal Settlements Programme.
- 4.1.1.2 The Informal Settlements Department is responsible for the enumeration of the informal settlements identified for upgrading. The upgrading of informal settlement can take place in situ or residents may be relocated to a greenfield development which can result in a the provision of a serviced site only or a serviced site and a top structure (house); and
- 4.1.1.3 The Informal Settlements Department is responsible for the management of informal settlements.
- 4.1.1.4 The Informal Settlements Department is responsible for development of serviced sites and top-structures in particular informal settlements upgrading projects as reflected in their approved business plan.

4.1.2 CITY OF CAPE TOWN: HUMAN SETTLEMENTS IMPLEMENTATION DEPARTMENT

- 4.1.2.1 The Human Settlements Implementation Department may be responsible for development of serviced sites and top-structures in particular informal settlements upgrading projects as reflected in their approved business plan.

4.1.3 DIRECTOR INFORMAL SETTLEMENTS

- 4.1.3.1 The Director for Informal Settlements and Backyarders will recommend the prioritisation of informal settlements to be upgraded based on assessment of all informal settlements i.e. prioritisation model. The latter recommendation will be approved by the relevant Executive Director and endorsed by the relevant Mayco Member.

4.1.4 EXECUTIVE DIRECTOR FOR HUMAN SETTLEMENTS

- 4.1.4.1 The Executive Director for Human Settlements will approve the list of informal settlements prioritised for upgrading as recommended by the Director: Informal Settlements

4.1.5 MAYORAL COMMITTEE MEMBER RESPONSIBLE FOR HUMAN SETTLEMENTS

- 4.1.4.1 The Mayoral Committee Member responsible for Human Settlements notes the list of informal settlements identified for upgrading as recommended by the Director and approved by the Executive Director as per clause 4.1.3.1.

4.1.6 HOUSING INFORMATION BRANCH

- 4.1.5.1 The Housing Information Branch (HIB) manages and administers the City's Housing Database and is responsible for registering residents within the informal settlement who were enumerated or updating the records of those who are registered.

4.1.7 PROVINCIAL DEPARTMENT OF HUMAN SETTLEMENTS

- 4.1.6.1 The Western Cape Provincial Department of Human Settlements (The Department), based on existing arrangements with the City, grants the City certain levels of authority to access the VPNC System for the City to administer and approve housing subsidy applications;
- 4.1.6.2 The Department shall also provide the City with the necessary support to access the HSS in the absence of the City not having full access as yet; and
- 4.1.6.3 The Department will maintain permanent representatives on the City's Housing Allocation Oversight Committee.

4.1.8 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS

- 4.1.7.1 The NDHS is responsible for administering the HSS and National Housing Needs Register; and
- 4.1.7.2 The NDHS may appoint external auditors to investigate a particular allocation process.

4.1.9 SUBSIDY ADMINISTRATOR/ SUBSIDY FACILITATOR

- 4.1.8.1 The Subsidy Administrator/Facilitator are officials from the City or appointed service providers who administer and manage the subsidy application process for the potential beneficiaries and are responsible for –
- (a) Ensuring that they only work from the verified enumerated survey list/s, under no circumstances must any other lists or names be used;
 - (b) Ensuring that the applicants complete their housing subsidy application forms and sign Deeds of Sale;
 - (c) Ensuring that all subsidy application forms are timeously submitted to the City's housing subsidy administration unit and providing the necessary cooperation throughout the verification process;
 - (d) Assisting all applicants throughout the entire subsidy application process until the finalization thereof;

- (e) Advising applicants in writing of the outcome of their housing subsidy application;
- (f) Advising the Project Manager and HIB on the outcome of the beneficiary subsidy applications; and
- (g) Ensuring that all subsidy approved beneficiaries have signed a Deed of Sale for the erf allocated.
- (h) Providing the Project Manager with details of sites and houses handed over to approved beneficiaries. .
- (i) Informing applicants who did not receive approval for a housing subsidy and the reasons for not receiving approval for a housing subsidy.

4.2 GENERAL QUALIFYING CRITERIA

The following section will stipulate the general qualifying criteria for a housing opportunity applicable to the various spheres of government.

4.2.1 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS

4.2.1.1 The Upgrading of Informal Settlements Programme will benefit all persons living in informal settlements who meet the following criteria:

- i. Households that comply with the Housing Subsidy Scheme qualification criteria;
- ii. Households that exceed the maximum income criteria as approved by MINMEC, are also included subject to certain conditions;
- iii. Households headed by minors, who are not competent to contract, may apply for housing benefits assisted by the Department of Social Development;
- iv. Persons without dependants; and
- v. Persons who are not first-time home owners;
- vi. Applications for the following people may be considered on a case-by-case basis:
 - (a) Persons who have previously received housing assistance and who previously owned and/or currently own a residential property;
 - (b) Immigrants whose residence status is uncertain on the conditions prescribed by the Department of Home Affairs.

4.2.1.2 Persons who do not meet the national housing subsidy qualifying criteria may be given the opportunity to either:

- (a) purchase a serviced site at market value , which may not be less than the input cost per stand or
- (b) rent a serviced site from the City at a rate to be determined by the City.

- 4.2.1.3 The input cost of a serviced site includes the following:
- Land acquisition cost
 - The cost of providing the basic municipal engineering services where such were funded from the housing allocation
 - The cost related to the township establishment process
 - Any applicable transfer costs

4.2.2 PROVINCIAL DEPARTMENT OF HUMAN SETTLEMENTS

4.2.2.1 Persons who are younger than 30 years of age and who qualify in all other aspects of the national housing subsidy qualifying criteria will be provided with a serviced site and not a top-structure as per the provisions within the Western Cape Department of Human Settlements Circular C 2 of 2019. Once the latter beneficiary reaches the age of 30 and still qualifies in all other aspects of the national housing subsidy qualifying criteria, he/she may apply for a consolidation subsidy for the construction of their top-structure (house) if funding is available.

4.2.2.2 Persons with a permanent disability are exempted from Circular C 2 of 2019 and may therefore qualify for a top-structure if they qualify in all other aspects of the national housing subsidy qualifying criteria.

4.2.3 CITY OF CAPE TOWN

4.2.3.1 An occupant or his/her spouse/partner who are current owners of a property will not qualify for assistance in the Upgrading of Informal Settlement Programme within the City.¹⁴

4.3 ALLOCATION CRITERIA FOR UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME

4.3.1 This section of the policy deals with Phase 3 and Phase 4 of the Upgrading of Informal Settlements programme within the National Housing Code. The upgrade can occur as an in situ upgrade or as a relocation project depending on the context of the informal settlement and may result in either a serviced site only or a serviced site and top structure (house).

4.3.2 The selection criteria for the upgrade of informal settlements differ from the IRDP projects as the target community is already identified and therefore the selection of

¹⁴ Persons who are part property owners through inheritance may be eligible to be considered for UISP in the City on condition that they are not physically occupying the property that they partially own and if ownership is 50% or less.

persons in date of registration order from the City's housing database does not apply in this instance.

- 4.3.3 The informal settlement identified for upgrading will be enumerated as part of the allocation process and persons not registered on the City's housing database will be registered as part of this process. This will allow the City to keep track of persons being assisted by the City with a housing opportunity.
- 4.3.4 Only residents within a particular Informal Settlements that was identified for upgrading, who were enumerated by the City by means of a survey, will be considered for the upgrading of informal settlements project. The enumerated list of names will undergo a verification process by the relevant line department before finalising the list of names.¹⁵
- 4.3.5 If the intention is to clear a particular informal settlement site then all persons occupying the land within the identified informal settlement, including persons who qualify for the upgrading of informal settlements project and those who do not qualify, must vacate the land they currently occupy.
- 4.3.6 The relocation strategy should be developed in collaboration with the community via the elected Project Engagement Committee of the respective upgrading project.
- 4.3.7 In the event that there is a surplus of housing opportunities within the project, the allocation of those housing opportunities remain at the discretion of the City.
- 4.3.8 The person captured on the survey as the head of household of a structure will be deemed as the main applicant who will be eligible to complete a housing subsidy application form and his/her spouse/partner will be the co-applicant. All other members of the household will become the dependents of the main applicant's housing subsidy application form and must move with the main applicant into his/her formal housing opportunity. It must be noted that only persons who physically reside in the structure at the time of the survey will be considered. Persons claiming to be structure owners who are renting out their structure and residing outside of the identified settlements will not form part of this project.
- 4.3.9 Only structures with an official structure number as allocated and verified by the City will be enumerated. The City has no obligation to accommodate occupants of unnumbered structures i.e. extensions to the numbered shack or stand-alone unnumbered structures usually rented out by the residents in the community. The occupants of the latter structures – usually referred to as boarders or tenants - will be the responsibility of their respective landlords (main applicant) and will have to relocate with the landlord or be responsible to find their own alternative accommodation.

¹⁵ A verification check will be done on the applicant and spouse/partner against the City's Housing Database, the Housing Subsidy System, the Deeds Register and Home Affairs.

- 4.3.10 A person who has successfully been approved on the Housing Subsidy System (HSS) for a housing subsidy will receive a top-structure (house) as per the project specifications. The latter property will be registered in the name of the respective beneficiary and they will be responsible for the maintenance of that property.

CHAPTER 5

EXCEPTIONS, DEVIATIONS, APPEAL, MONITORING, EVALUATION AND REVIEW

5.1 EXCEPTIONS

- 5.1.1 The date of registration principle is not applicable under the following circumstances:
- (a) Households in informal settlements identified for a housing opportunity for site and/or site plus top structure projects. These households will be identified in consultation with the local communities. The Upgrading of Informal Settlements Policy within that National Housing Code will apply;
 - (b) Priority housing allocation for approved cases of exceptional housing need;
 - (c) Applicants being considered for a transfer of tenancy in City owned rental housing units; and
 - (d) Displaced households identified as tenants where hostels are being upgraded into new CRUs in terms of the National CRU Programme.

5.2 DEVIATION

- 5.2.1 Any deviation from this policy must be submitted to the Mayor together with MAYCO for final approval.
- 5.2.2 The process of application for a deviation will be stipulated in an internal Standard Operating Procedure to be approved by the Executive Director: Human Settlements..

5.3 PROCESS OF APPEAL

- 5.3.1 Any appeal in relation to the allocation process of ownership or rental housing opportunity within the City of Cape Town must be directed to the City Manager in terms of Section 62 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

5.4 EXECUTIVE DIRECTOR AND DIRECTOR ROLE AND RESPONSIBILITY

- 4.4.1 The ED Human Settlements, together with the relevant Directors, must take responsibility for matters relating to beneficiary selection, approval and allocation and not solely leave this responsibility to the Project Managers or Housing Estate office officials.

5.5 MONITORING, EVALUATION AND REVIEW

- 5.5.1 A comprehensive report will serve before the Portfolio Committees of Human Settlements on the following matter:
 - 5.5.1.1 Any deviations approved by the Mayor together with MAYCO supported by reason for the deviation
 - 5.5.2 The frequency of the report will be determined by the Chairperson of the Human Settlements Portfolio Committee.
 - 5.5.3 The efficacy of this policy will be monitored through regular interaction with relevant officials and feedback from public meetings when these occur and may be reviewed when the need arises.
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5.6 CONCLUSION

- 5.6.1 This policy will be effective from the date it receives Council approval and will replace the Allocation Policy: Housing Opportunities of 2015.
 - 5.6.2 The Policy on the unlawful occupation of council rental stock which was approved by Council on 27 March 2008 with reference number C-90/03/08 will be rescinded on approval of this policy.
 - 5.6.3 The provisions of the Policy on the unlawful occupation of council rental stock were incorporated within this policy under sub-section 3.4.4.
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