CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Frequently Asked Questions

Review of the City's Allocation Policy: Housing Opportunities (2015)

1. **What is the City of Cape Town's Allocation Policy: Housing Opportunities (2015)?**

The City's Allocation Policy: Housing Opportunities (2015) governs and directs the way the City selects and allocates State-subsidised housing opportunities to qualifying beneficiaries who are registered on the City's Housing Database. This is to ensure a fair and transparent housing allocation process within the metro.

To achieve this primary objective, the policy sets out the criteria, processes, procedures and responsibilities that are related to the allocation of State-subsidised housing opportunities, based on regulations by National Government and the Western Cape Government's Human Settlements Policy Framework.

The City's current Allocations Policy was approved by Council on 25 March 2015. It is now being reviewed.

2. **Why is the Allocation Policy being reviewed?**

The primary focus of the Allocation Policy is to ensure that qualifying beneficiaries who are registered on the City's Housing Database receive housing opportunities through a fair and transparent housing allocations process.

With implementing the current Policy, we have identified operational challenges and certain limitations within it, which have led us to commence with its review, to improve it by:

- enhancing fairness
- creating greater transparency
- drafting clear policy provisions
- expediting decision-making times

3. **To which housing opportunities does this Allocation Policy apply?**

a. **Integrated Residential Development Programme (IRDP) i.e. Breaking New Ground (BNG) houses (formerly RDP houses):**

State-subsidised BNG houses are specifically allocated to qualifying beneficiaries who are registered on the City's Housing Database and whose household income does not exceed R3 500, among other national and provincial qualifying criteria.

b. **Community Residential Units (CRUs) (also referred to as Council Rental Units):**

CRU accommodation refers to the existing or newly built City-owned rental housing properties that include multi-storey units, row houses, cottages, duplex units, hostels and pensioner cottages.

c. **Social Housing Programme:**

Social housing developments offer affordable rental accommodation to qualifying applicants.

In accordance with the Social Housing Regulatory Authority, governed by the Social Housing Act, social housing is a rental or cooperative housing option for households earning between R1 500 and R15 000 per month.

Social housing projects are developed and managed by accredited Social Housing Institutions (SHIs) on well-located, accessible land within areas that contribute to spatial, economic and social development.

As with any rental contract, prospective tenants will be screened by the landlord being the SHIs. Successful tenants will formally enter into lease agreements with the SHIs, and are required to pay their monthly rentals.

d. Upgrading of Informal Settlements Programme (UISP)

The UISP is a national programme which guides the incremental upgrading of suitable informal settlements with the eventual granting of formal land use rights to qualifying residents.

It facilitates the construction/installation of formal engineering services, thus providing access to basic municipal services. The draft Allocation Policy: Housing Opportunities 2019 will focus on Phase 3 and Phase 4 of the UISP, which results in individual serviced sites being transferred to qualifying beneficiaries.

After granting of formal land use rights, the building of a top structure, i.e. a BNG house, among others, is possible in accordance with the Allocation Policy and the National Policy on the UISP.

4. What are the main proposed amendments or changes, and why?

Current Policy	Revised Draft Policy	Rationale for change
The policy only applies to projects developed/managed or facilitated by the City.	The policy will apply to any developer, including the Western Cape Department of Human Settlements, in developing State-subsidised housing within the Cape Town metro boundaries.	It is important that a standard process is followed in terms of allocation within the City's boundaries.
The policy allows for 10% of the allocation to be granted to people that are not registered on the Housing Database but who meet prescribed criteria.	Only names registered on the City's Housing Database will be considered for State-subsidised housing opportunities (rental and ownership).	This ensures a fair and transparent process so that only people registered on the City's Housing Database are considered.
The 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 recommended by the City is based on analyses of housing demand and past and future housing projects within surrounding areas of the location of the new project. The recommendation must be in line with the provision of the Allocation Policy. The Project Steering Committee will be given an opportunity to comment on the above proposal before final sign off by the delegated authority in the City.	This ensures that decisions are based on evidence, which encourages the principles of fairness and transparency.

Deviations from the Policy must be approved by the Executive Mayor and Council.	Deviations from the Policy must be approved by the Executive Mayor together with the Mayoral Committee. A Standard Operating Procedure will be developed setting out the criteria for deviations.	This expedites the decision-making time as the Mayoral Committee meets more often than Full Council.
The Provincial Circular C2 of 2019 is not included.	To include the Provincial Circular C2 of 2019.	The City must comply with the Provincial Circular C2 of 2019, which states that municipalities must consider people 30 years old and older for a top-structure (house) within their housing projects.
Omits anti-social behaviour as eligibility criteria for transfer of tenancy in City-owned rental housing.	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.	This recommendation was made by the Executive Mayor and the Mayoral Committee to ensure that the City is a responsible landlord.
Unlawful occupation of Council rental units is omitted from the current Allocation Policy and exists within a separate policy of this nature.	Incorporates procedures relating to unlawful occupation of Council rental units.	Rescind the Unlawful Occupation Policy and incorporate all procedures relating to the allocation of Council rental housing units into one comprehensive policy.
Households with a monthly income of R10 000 and below may apply for newly built Council-owned rental housing.	The revised policy increases the income bracket to R15 000 and below.	This is in line with revised National Social Housing Policy.

A property owner within the City of Cape Town municipality, or neighbouring municipalities, is ineligible to apply for Council rental housing.	Property owners anywhere in the country may not be eligible for Council rental housing.	Recommendation by the Human Settlements Portfolio Committee.
Omits an allocation process within the Upgrading of Informal Settlements Programme (UISP) projects.	Includes an allocation process regarding UISP, (Phase 3 and 4) which results in the transfer of ownership of a serviced site and/or top-structure (house).	Phase 3 and Phase 4 of UISP results in a serviced site or top-structure being transferred to a qualifying beneficiary, and therefore, it is important to set procedures in place for the allocation of these opportunities.
No clear process for non-qualifiers.	Vacant serviced sites: A household with an income between R3 501 and R7 000 per month may qualify for a vacant serviced site or apply for a Finance Linked Individual Subsidy Programme (FLISP) subsidy to cover the cost. A household with an income of more than R7 000 per month could also be afforded the opportunity to buy a vacant serviced site at the current market value of the property in question, as determined by the municipality.	This is in line with National Human Settlements Policy.

5. **Will the proposed amendments to this policy help you get a house faster?**

Yes, it could make the process faster, if the process goes according to plan. All due processes must still be followed. The amendments, where applicable, aim to fast-track the **selection of applicants for the allocation of housing**, as far as possible, by expediting decision-making processes.

The amendments also aim to improve fairness so that the qualifying beneficiaries get their housing opportunities in the shortest possible timeframe, while following due process.

The beneficiary selection and allocations process is separate to the implementation and construction of housing opportunities, which are subject to their own timeframes and dynamics.

Below is an example of expediting the decision-making process:

All housing projects must have a Project Steering Committee (PSC), which comprises City officials, relevant ward councillors and representatives for the beneficiaries. This aims to ensure transparency, accountability and inclusivity.

Currently, the PSC recommends the target area and beneficiary percentage split for a housing project, guided by the Allocation Policy, which after following due process, goes to the Executive Director for Human Settlements for approval.

However, practically, this process has proven to be challenging because it is difficult for a project manager to call a public meeting to elect a PSC if the target area has not yet been defined.

Furthermore, once the PSC is established, generally much deliberation and robust debate takes place, which from experience has the risk of a lengthy process as it can take weeks before a consensus is reached, as the meetings are also dependent on the availability of members.

In its current form, each of these processes can be lengthy and subsequently, has a knock-on-effect on the selection and allocations processes.

Based on the above context, the proposed amendments suggest that the project manager from the City's Human Settlements Implementation Department recommends the target area and beneficiary quotas for a housing project, based on an analysis of suburb(s) surrounding the location of the proposed housing project.

It is important that an evidence-based approach is taken when recommendations are made for a project for the target area to ensure the principle of fairness and transparency.

6. **How does the City currently ensure that houses are allocated / given to the right people/beneficiaries?**

Beneficiaries of all City housing projects are allocated in accordance with our Allocation Policy and the date of registration on our Housing Database. This is to ensure that housing opportunities are provided to qualifying applicants in a fair, transparent and equal manner, and to prevent queue jumping.

Applicants are selected for housing opportunities based on the date that they registered on the City's Housing Database.

Each housing project invites applicants within date order from the following three categories to apply for the specific project:

- Applicants who reside within the target area (the areas near or surrounding the planned housing development)
- Applicants who have been registered on the Housing Database the longest, but who live outside of the target area, i.e. the greater Cape Town metro
- Applicants in the following specialised category: the elderly, people with a permanent disability and rehabilitated street people.

7. **Why are people who live outside the target area considered, when there is a backlog of people on the waiting list who live in the area of the proposed housing project?**

One of the principles within the draft Allocation Policy: Housing Opportunities 2019 is that each housing project must make provision for people who live within the identified target area, as well as for people who live in others parts of the city.

The reason for this is that not all areas within the city will have a housing development, yet we find that there are people waiting for years on the City's Housing Database who live in areas that are not earmarked for development.

If we therefore only focus on people within the target area we will go against the policy principles of integration, equity and fairness.

The policy states that a minimum of 20% of all housing opportunities within a housing project must be allocated to people outside of the target area.

8. Will I get a serviced site if I don't qualify for a subsidy?

This will depend on the nature of the housing project.

If the project is developed in accordance with the Integrated Residential Development Programme (IRDP), the primary housing product is a Breaking New Ground house. If the zoning regulations, design and layout of the housing development allows for them, serviced sites may be provided to people deemed as 'non-qualifiers'.

People 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:

- Households with an income exceeding R3 500 per month, but less than R7 000 per month, may be awarded a vacant serviced stand or apply for a subsidy under the Financed Linked Individual Subsidy Programme (FLISP) to cover the input cost. The 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.
- Households with an income exceeding R7 000 per month may be awarded the opportunity to buy a vacant serviced site at the current market value of the properties as determined by the municipality.

9. Will backyarders be considered for housing opportunities?

Everyone, including backyarders, must register on the City's Housing Database to be considered for a housing opportunity.

The selection of beneficiaries is based on the date you have registered on the City's Housing Database.

10. Why do the amendments include the need to standardise the allocations process that exists between the Provincial Government e and the City?

In the spirit of cooperation, the Western Cape Department of Human Settlements (WCDHS) has in the past adhered to the City's Allocation Policy: Housing Opportunities, when allocating housing opportunities in their housing projects developed within the boundaries of the city.

We welcome this approach as the prospective beneficiaries of housing projects within Cape Town, developed by the City and the WCDHS, are sourced from our Housing Database. The Policy also urges the WCDHS to continue in this cooperative spirt.

11. Why does the current policy allow for up to 10% of allocations be set aside for people who are not registered on the City's Housing Database and why does it need to change?

During the development of the 2015 Allocation Policy the rationale was to create some flexibility in the policy to allow people with long length of stay within a participating area, and who did not register on the City's Housing Database, an opportunity to form part of a housing project, provided that they have sufficient evidence of this.

However, this poses a challenge in terms of verifying information and prioritising one person over another.

The amendment therefore is being suggested to comply with the focus of the allocation to people registered on the City's Housing Database, which is to ensure a fair and transparent process.

12. Where can I comment?

You can submit comments on the proposed draft Allocation Policy: Housing Opportunities 2019 in writing by:

- Email Hspolicy.research@capetown.gov.za
- **WhatsApp:** 063 299 9927
- Sub-Council offices
- At www.capetown.gov.za/haveyoursay

Our Public Participation Unit will help people who cannot read or write those with disabilities and those from disadvantaged groups if they would like to submit comments, recommendations or input.

Contact Zandile Mahlasela at 021 400 5501 for assistance.

The deadline for comment is **21 July 2020**