



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

Draft

**ALLOCATION POLICY:  
HOUSING OPPORTUNITIES**

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## DEFINITIONS

In this policy –

**“Aged persons”** mean persons who are 60 years and older in terms of the South African Social Services Social Grants directives.

**“Anti-social behaviour”** means acting in a manner that caused or was likely to cause harassment, alarm or distress to one or more persons including alcohol, drug and substance misuse and dealing, illegal possession of firearms, intimidation, harassment, gangsterism and vandalism.

**“Backyard dwellers”** means persons who live in informal structures and overcrowded conditions within formal developed areas.

**“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 amended by the National Department of Human Settlements).

**“Exceptional Housing Need”** means a situation where an applicant is assisted on a priority basis as recommended by the Housing Allocation Oversight Committee and approved by the Executive Director: Human Settlements.

**“Family member”** means a relative of the deceased tenant or a relative of the deceased tenant's spouse or partner, such as an uncle, aunt, brother, sister, child or grandchild, if such relative is part of the original family housed or born on the property and has been living with the deceased tenant for an unbroken period of at least two (2) years immediately prior to the death of the tenant.

**“GAP or Affordable Housing”** means housing opportunities for beneficiaries with a monthly household gross income ranging between R3 501 and R15 000 (or as amended by the National Department of Human Settlements).

**“Greenfields Project”** means a project component occupying a greenfield site on which there are no pre-existing, legal occupants, and for which the municipality has discretion to select beneficiaries, provided they are eligible for the subsidy.

**“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, No. 38 of 2005 to be the guardian for minors.

**“City Housing Database”** means the City's housing database comprising persons who have registered a need for a housing opportunity, it also those that have been assisted.

**“Housing Information Branch”** means the section in the Human Settlements Directorate 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.

**“National Housing Programmes”** means the range of housing programmes provided for in the National Housing Code.

**“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.

**“National Housing Demand Database”** 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

**“Infill Project”** 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 that the occupants have no legal claim, or occupy illegally or unplanned settlements and areas where housing is not in compliance with current planning and building regulations (unauthorized housing).

**"Lease Agreement"** means the legal agreement between the lessor and lessee

**"Lessee"** means the tenant renting the property.

**"Lessor"** means the City or partner 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, No. 107 of 1997.

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

**"Non-responsive applicants"** means an applicant from the City's housing database who cannot be contacted three months from the date the lists were first displayed. Applicants who do not respond within three months to appeals and adverts to make contact with the housing/project office will be regarded as non-responsive applicants and will be categorised as 'DORMANT' on the housing database.

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

**"Project Manager"**

**"Project Steering Committee"** means the project committee elected in terms of Council Resolution, 17 October 2006 who makes recommendations to the ED on the project specific targeted areas, acts in an advisory role and facilitates communication between the City and the approved beneficiaries for the duration of a project.

**"National Housing Programme"** means the range of housing programmes as set out in the National Housing Code, 2009.

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

**"Regularisation"** means instances where unauthorised occupation is formalised in terms of the City's Unlawful Occupation of Council Rental Stock, 2008

**"Re-instatement of tenancy"** means those instances where a tenant after earlier vacating their previous unit due to circumstances beyond their control are allocated a 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 'cancelled' to 'assisted'.

**"Rightsizing"** means the placing of a family in accommodation that is accessible and/or appropriate for their needs and/or income.

**"Social Housing"** means rental housing constructed and managed by the City's social housing partners in terms of the National Social Housing Act, 2008

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

- (a) Disabled persons as defined in the National Housing Code;
- (b) Persons who are 60 years and older in terms of the South African Social Services Social Grants directives;
- (c) Military Veterans;
- (d) Aged Farmworkers as defined by the Extension of Security Tenure Act, 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) Other vulnerable persons, in accordance with clear approved guidelines, recommended by the Allocations Committee and approved by the ED

**"Targeted areas"** means specific and/or the immediate areas surrounding the housing project as recommended by the PSC. The targeted area will be expanded progressively in future projects to ultimately include the entire metropolitan area.

**"Tenure"** means the conditions under which land or buildings are occupied and is either 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 Council CRU for a valid reason, to another family member or person living in the same CRU.

## ABBREVIATIONS AND ACRONYMS

|      |  |
|------|--|
| ARF  | Allocation Request Form                      |
| CRU  | Community Residential Unit                   |
| ED   | Executive Director                           |
| HIB  | Housing Information Branch                   |
| IRDP | Integrated Residential Development Programme |
| PM   | Project Manager                              |
| PSC  | Project Steering Committee                   |
| VPNC | Virtual Private Network Connection           |

## 1. PROBLEM STATEMENT

- 1.1. The allocation of subsidized housing opportunities is an area of much contestation. A clear, open and transparent policy where affected parties takes part in setting criteria for selection is required to ensure fair allocation of housing opportunities; and
- 1.2. The 2013 City of Cape Town's Allocation Policy: Housing Opportunities 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, there is a need to review this policy in order to address some of the problems that have emerged. The identified issues include the role and responsibilities of the subsidy administrator as well as the transfer of rental units to family members other than children.

## 2. DESIRED OUTCOMES

- 2.1. The main objective of the policy is to set out the criteria, processes and procedures for:
  - 2.1.1. Applicants to register their housing need on the City's Housing Database;
  - 2.1.2. Selecting beneficiaries for new green-field housing opportunities inclusive of new CRU and the below R3 500 income category in Social Rental Housing;
  - 2.1.3. Selecting tenants when vacancies occur in existing rental stock;
  - ~~2.1.4.~~ The conditions under which applicants will be deemed non-responsive and will have their status on the City's Housing Database re-classified as 'inactive'; 'dormant'
  - 2.1.5. Prioritizing an exceptional housing need which deviates from date of application order principles set out in this policy; and
  - 2.1.6. The circumstance where the Executive Mayor and Council may approve deviations from this policy.
- 2.2. The effective implementation of this policy shall result in the fair, transparent, equitable allocation of housing opportunities to qualifying applicants from the City's Housing Demand Database.

## 3. POLICY PRINCIPLES

- 3.1. The following principles guide this 2014 Draft Allocation Policy: Housing Opportunities:
  - 3.1.1. **Equity:** all persons have equal opportunity in applying for housing assistance in accordance with the applicable National Housing Programme.
  - 3.1.2. **Transparency:** any person has reasonable access to this policy and the process in selecting and ranking applicants for a housing opportunity.
  - 3.1.3. **Functionality:** this policy is practical and understandable.
  - 3.1.4. **Social cohesion:** the spirit of this policy is to minimize social conflict and optimize development progress.
  - 3.1.5. **Access:** this policy is applied to enhance access to housing opportunities in the City's green-field and CRU developments as well as for the below R3 500 income category in Social Housing opportunities developed by the City's housing partners.
  - 3.1.6. **Integration:** this policy is implemented in a manner that promotes transversal collaboration and integration in the City.



## 4. STRATEGIC INTENT

- 4.1. In addition to achieving the objectives of the City of Cape Town's Integrated Development Plan, the strategic intent of this policy is aligned to the objectives of the National Development Plan, the Social Development Strategy, the City Development Strategy, the OneCape2040 Agenda, the Western Cape Provincial Framework Policy for the Selection of Housing Beneficiaries in Ownership-based Subsidy Projects and the Human Settlement Integrated Human Settlements Coordination Framework.
- 4.2. This policy is aligned to the following Strategic Focus Areas of the IDP:
- 4.2.1. *The Caring City* that ensures increased access to integrated human settlements to those who need it through the possible sale or transfer of and allocation of rental stock to identified beneficiaries and provides for the needs of applicants who have registered on the City's Housing Database for housing assistance in green-field, existing and new CRU rental housing and a specific income category of Social Housing;
- 4.2.2. *The Inclusive City* that promotes responsiveness by creating an environment where citizens can be communicated with and responded to; and
- 4.2.3. *The Well Run City* that facilitates inclusive, fair, consistent, transparent and equitable system set out in this policy, ensures a transparent City that is corruption free and enables an efficient, productive administration that prioritizes service delivery.

## 5. POLICY PARAMETERS

- 5.1. This policy is applicable to the allocation of the categories of housing opportunities managed by the City of Cape Town within the geographic boundaries of Cape Town as set out below:

| Category |  | Category description  | Policy provisions |
|----------|--|---|-------------------|
| A        | Serviced site and a top structure in greenfield and / or Infill developments | Is at a minimum a 40m <sup>2</sup> house delivered to an approved beneficiary, earning between R 0 and R 3 500.00 per month (or as amended by the National Department of Human Settlements), with subsidy amount provided by the National Human Settlements Department.<br>The National Housing Code programmes and funding allocations will apply, as amended. | 8.5.1-8.8.5       |
| B        | Serviced site in greenfield and / or Infill developments                     | Provide only a serviced site (roads, water, sewer and electricity where possible) for qualifying beneficiaries and purchase by non-qualifying applicants in terms of the conditions of the IRDP National Housing Programme.   |                   |
| C        | CRU Rental Housing   | Provide higher density new City rental stock to an approved tenant;<br>Upgrading of existing rental units;<br>Re-development of existing hostels; or<br>Accommodation in existing rental stock when vacancies occur.  | 8.9.1-8.15.4      |
| D        | Social Housing   | Limited to rental housing opportunities developed by the City's housing partners for qualifying applicants with monthly household incomes between R1501 and R3500 as requested by the partners.   | 8.16.1-8.16.2     |

- 5.2. Allocations in respect of **Upgrading of Informal Settlements, Emergency Housing 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.

## 6. REGULATORY CONTEXT

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

- 6.1. The Constitution of the Republic of South Africa, 1996;
- 6.2. The Housing Act No. 107 of 1997;
- 6.3. The National Housing Code 2009;
- 6.4. Western Cape Provincial Framework Policy for the Selection of Housing Beneficiaries in Ownership-based Subsidy Projects;
- 6.5. The City's Integrated Development Plan;
- 6.6. City of Cape Town Policy on the Unlawful Occupation of Council Rental Stock, 2008;
- 6.7. The Five Year Integrated Human Settlements Plan; and
- 6.8. The City of Cape Town System of Delegations

## 7. ROLE PLAYERS AND STAKEHOLDERS

The following role players may be involved in the identification, selection and approval of beneficiaries in certain approved new and rental housing opportunities:

### 7.1. PROJECT MANAGER

- 7.1.1. The Project Manager (PM) 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 PSC on matters relating to beneficiary selection, approval and allocation **and who will account to the ED via his/her line manager**;
- 7.1.2. The PM is responsible for submitting the completed Allocation Request Form (ARF) via the agreed process to the ED for approval of the recommended project specific targeted areas and percentage beneficiary splits;
- 7.1.3. The PM is responsible for ensuring that the lists of applicants, provided by the Housing Information Branch (HIB), are displayed for viewing by the public as described under section 8.10.4 below;
- 7.1.4. The PM and his/her support staff are responsible for contacting applicants and ensure that the latter are available to sign subsidy application forms and Deeds of Sale with the subsidy administrators and assist in the execution of all other duties and functions related to the beneficiary subsidy application process;
- 7.1.5. The PM must keep a record and verify the number of beneficiaries who have been identified, contacted, subsidies approved in order to ensure applicants do not lose out on a housing opportunity;
- 7.1.6. The PM must facilitate Housing Consumer Education workshops for all approved beneficiaries;
- 7.1.7. The PM is responsible for providing the HIB with a list of beneficiaries who have been allocated a housing opportunity and where applicable, signed 'happy letters';
- 7.1.8. Applicant who have received subsidy approval, but cannot be traced after extensive attempts to take occupations of the house will have to be de-registered on HSS and the Project Manager must ensure that the Provincial Department receives this request.

## 7.2. PROJECT STEERING COMMITTEE

- 7.2.1. The establishment and composition of the Project Steering Committee (PSC) is described in the Human Settlements "Framework for the Establishment of Project Steering Committees";
- 7.2.2. The PSC is responsible for discussing, obtaining agreement and thereafter recommending to the ED the project specific targeted areas and percentage beneficiary splits for approval in terms of the current delegations; and
- 7.2.3. The PSC will play an advisory role and facilitate effective communication between the City as developer and the approved beneficiaries for the duration of the project.

## 7.3. EXECUTIVE DIRECTOR: HUMAN SETTLEMENTS

- 7.3.1. The Executive Director (ED), if he/she agrees, will approve the targeted areas and percentage split of beneficiaries as recommended by the PSC by signing-off the ARF submitted by the PM;
- 7.3.2. The ED may in consultation with the Mayco Member approve specific cases of exceptional housing need recommended by the Housing Allocation Oversight Committee for priority housing allocation; and
- 7.3.3. The ED in consultation with the Mayco member may amend the targeted areas and percentage allocation split should the analyses as done by the HIB and relevant Director indicate that amendments are required.

## 7.4. HOUSING ALLOCATION OVERSIGHT COMMITTEE

- 7.4.1. The establishment and composition of the Housing Allocations Oversight Committee is described in the "Framework for the Establishment of the Housing Allocations Committee" and is responsible for:
  - (a) Verifying that the PSC has followed the applicable prescripts of this Policy in arriving at the project specific targeted areas and beneficiary splits 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 ED for his/her approval for priority housing allocation; and
  - (d) Making recommendations to the ED on other matters brought to its attention.

## 7.5. HOUSING INFORMATION BRANCH

- 7.5.1. The Housing Information Branch (HIB) manages and administers the City Housing Database and is responsible for:
  - (a) Ensuring that all applicants on the Housing Database update their information every two years;
  - (b) Identifying and submitting the details of the next applicant from the housing database to the local housing office when advised of a vacancy in the City's existing rental stock;
  - (c) Contacting applicants where allocations are imminent. This may include the use of letters, telephone calls, smses, posters, advertisements, property searches, other databases searches or physical visits to addresses as per available information on the database;

- (d) Drawing a list of applicants from the Housing Database according to the information on the ARF for the project and approved by the ED;
- (e) Discussing the drawn list of applicants with the relevant Director/s who may refer the outcome to the ED for possible amendments to the targeted areas and percentage beneficiary splits;
- (f) Submitting the lists of applicants as the potential project beneficiaries to the PM, responsible for the implementation and/or management of the project, via the agreed process;
- (g) Continuing to draw supplemental lists of applicants from the housing database and submit these to the PM until the total number of approved beneficiaries for the projects have been achieved; and
- (h) Ensuring that all relevant housing database information is regularly uploaded to the Housing Subsidy System (HSS) and National Housing Demand Database at the National Department of Human Settlements.

## 7.6. HOUSING ESTATE OFFICES

7.6.1. 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 advises the HIB accordingly.

## 7.7. PROVINCIAL DEPARTMENT OF HUMAN SETTLEMENTS

- 7.7.1. The Provincial Department of Human Settlements, 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;
- 7.7.2. The Department shall also provide the City with the necessary support until the City is granted full access to the HSS as part of the Assignment Agreement; and
- 7.7.3. The Department will maintain two permanent representatives on the City's Housing Allocation Oversight Committee.

## 7.8. NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS

- 7.8.1. The NDHS is responsible for administering the HSS and National Housing Demand Database; and
- 7.8.2. The NDHS may appoint external auditors to investigate a particular allocation process.

## 7.9. HUMAN SETTLEMENTS PORTFOLIO COMMITTEE

- 7.9.1. The Portfolio Committee monitors the implementation of the policy.

## 7.10. MAYORAL COMMITTEE MEMBER FOR HUMAN SETTLEMENTS

- 7.10.1. The Mayoral Committee member endorses the targeted areas and percentage beneficiary splits as approved by the ED.

## 7.11. APPLICANTS

- 7.11.1. Applicants are required to register their need for housing on the City's housing database;
- 7.11.2. All applicants registered must inform the HIB on any changes in personal information such as address, marital status, income, or special needs and disabilities;

- 7.11.3. Applicants must at all times ensure they are contactable by updating their contact details with the HIB; and
- 7.11.4. Applicants must co-operate with the HIB when required to update their information on the housing database every two years.

## 7.12. SUBSIDY ADMINISTRATORS

- 7.12.1. **The Subsidy Administrators are officials from the City or appointed service providers who administer and manage the subsidy application process for the potential beneficiaries and is responsible for -**
- (a) Ensuring that they only work from the list/s of applicants from the 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; 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 handovers.

## 8. POLICY DIRECTIVES

### ALL HOUSING OPPORTUNITIES: CATEGORIES A-D

#### 8.1. OVERALL OVERSIGHT ROLE

- 8.1.1. The ED, together with his relevant Directors, must take responsibility of matters relating to beneficiary selection, approval and allocation and not solely leave this responsibility to the Project Manager.**

#### 8.2. HOUSING APPLICATION PROCESS

- 8.2.1. The housing application process for all housing opportunities is directly managed by the City of Cape Town;
- 8.2.2. Persons requiring housing assistance are required to fill in a standard Housing Application Form. These forms are available at no cost from local housing offices, the Civic Centre in Cape Town and on the City of Cape Town website [www.capetown.gov.za](http://www.capetown.gov.za) ;
- 8.2.3. Completed application forms, together with any supporting documents must be returned to the nearest housing office or from the office where the form was collected;

- 8.2.4. All completed applications shall be captured by the HIB onto the City's Housing Database;
- 8.2.5. Applicants will receive written confirmation from the HIB that their application has been received, including their date of application and registration number. Applicants are required to retain this information as proof of their registration on the City's Housing Databases;
- 8.2.6. Applicants must advise the HIB with regards to any changes to their personal information and circumstances;
- 8.2.7. The HIB must make an annual drive requesting applicants update their information;
- 8.2.8. The address recorded on the housing database at time of allocation will be used as the residential address of the applicant for allocation purposes;
- 8.2.9. Applicants may change their area of choice and retain their application date. The qualification criteria applicable to the National Housing Programme being utilized, shall apply;
- 8.2.10. In terms of this policy, applicants will wait their turn (date of application order) to be assisted with a housing opportunity, unless being considered and approved in terms of sections 2.1.5, 7.4.1(c), 7.3.2 above and 8.4.1(a)– 8.4.1(d) below; and
- 8.2.11. At time of assistance with a housing opportunity, applicants must also meet the general national qualifying criteria.**

### 8.3. GENERAL NATIONAL QUALIFYING CRITERIA FOR HOUSING ASSISTANCE

- 8.3.1. In order to qualify for a housing subsidy, applicants must also meet the criteria set out in the National Housing Code. The applicant must:
- (a) Earn a monthly income in the range as approved by the National Department of Human Settlements;
  - (b) 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;
  - (c) Be legally competent to contract i.e. over 18 years of age or legally married or legally divorced; single with dependants; single aged or disabled without dependants or declared competent by a court of law and sound of mind;
  - (d) Not have previously benefited from government housing assistance directly or indirectly through a spouse; and
  - (e) Have not owned fixed residential property (such a person may only qualify for the purchase of a vacant serviced site or a non-saleable CRU).

### 8.4. GENERAL SELECTION CRITERIA

- 8.4.1. Qualifying applicants will be selected according to their date of application on the housing database;
- 8.4.2. Up to 90% of beneficiaries must come from applicants already registered on the housing database and 10% may come from households not registered on the housing database.**
- 8.4.3. The above mentioned 10% will be registered on the housing database on identification. The following criteria will be applied to select persons in this category:**
- (a) Aged persons (80 years and older)**
  - (b) Proven Military Veterans**

- (c) Persons within Informal Settlements that is not suitable for housing development for example wetlands area and that is identified for relocation in terms of the Informal Settlements Matrix.
- (d) Persons - within and outside of the targeted area- with evidence of their length of stay within a particular area. The length of stay to be considered must coincide with the cut-off date of applicants selected within the targeted area. Clinic cards or school records can be utilised as evidence of an applicant's length of stay.

- 8.4.4. It must be noted that persons within the above mentioned category must still qualify in terms of the general national qualifying criteria.
- 8.4.5. Applicants who have been classified as having special needs will be assisted according to their date of application within the overall special needs category. The Project Steering Committee will recommend the percentage allocated for special needs that will be approved by the ED;
- 8.4.6. Applicants who change their address to within the targeted area of a project after the first release of the names to the project manager by the HIB will not be considered for that project;
- 8.4.7. 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;
- 8.4.8. In respect of Category C housing opportunities, allocations cannot be made according to family size and composition. Applicants, who appear 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;
- 8.4.9. The Subsidy Administrators or service providers hired by the City of Cape Town may not qualify for housing opportunities in the project/s for which they are contracted;
- 8.4.10. Councillors, sub-council chairpersons, managers and NGOs or any other individuals or community organisations may play no role in the procedures relating to the issuing of housing application or housing subsidy application forms or in the allocation of houses in new housing projects or rental allocations except as members of the specific project steering committee; and
- 8.4.11. Approved beneficiaries in any of the City's housing projects **must** take-up residence of the property within 24hours of receiving the key. Failing to do so **will** result in the City allocating the property to the next qualifying beneficiary from the housing database;
- 8.4.12. Applications who fail to move in within 24 hours will have their subsidy cancelled on the Housing Subsidy System (HSS).
- 8.4.13. Approved beneficiaries shall not 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 applicant on the database or to the person in occupation
- 8.4.14. Applicants who are residential property owners within the City of Cape Town or neighbouring municipalities namely, Drakenstein Municipality, Overstrand Municipality, Stellenbosch Municipality, Swartland Municipality or Theewaterskloof Municipality may not qualify for a rental or ownership housing opportunity.

## 8.5. EXCEPTIONS

- 8.5.1. The date of application 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;
- (b) Priority housing for approved cases of exceptional housing need;
- (c) Applicants being considered for the tenancy in cases where the surviving spouse has died or the tenancy has been relinquished for specific reasons and the tenancy must be transferred to a family member; and
- (d) Displaced households identified as tenants where hostels are being upgraded into new CRUs in terms of the National CRU Programme.

## 8.6. DEVIATION

- 8.6.1. No deviation from this policy is allowed unless the deviation is approved by the Executive Mayor and Council.
- 8.6.2. Any deviation must be reported to the Human Settlements Portfolio Committee on a quarterly basis

## 8.7. PROCESS OF APPEAL

- 8.7.1. Applicants currently on the City Housing Database may appeal their omission from selection for a project but only on the following grounds:
  - (a) Due process as contemplated in this policy had not been followed; or
  - (b) On providing proof of an earlier date of registration on the database.
- 8.7.2. The appeal must be directed to the City Manager in terms of Section 62 of the Municipal Systems Act.

## HOUSING OPPORTUNITY: CATEGORIES A & B

### 8.8. ADDITIONAL CRITERIA FOR ALLOCATION IN CATEGORY A & B

- 8.8.1. The selection of beneficiaries is done on a project-specific basis. The following categories of applicants must be identified:
  - (a) Applicants from identified targeted areas;
  - (b) Applicants on the housing database from outside the targeted areas;
  - (c) Households from informal settlements inside the targeted areas; and
  - (d) Applicants identified from the special needs category from inside the targeted areas first, and thereafter from outside the targeted areas only if more applicants are needed to reach the required percentage/numbers as recorded on the ARF;
- 8.8.2. To achieve the desired integration of the different communities in Cape Town, the following must be adhered to:
  - (a) **Up to 80** per cent of the total number of housing opportunities the project will deliver (inclusive of any households from informal settlements or from informal areas who may not necessary be registered on the housing database and applicants from the special needs category) **must** be allocated to qualifying applicants within the targeted area; and
  - (b) **The balance** of the total number of housing opportunities the project will deliver **must** be allocated to applicants from outside the targeted area (inclusive of any applicants from the special needs category, if required); and



- 8.8.3. A qualifying applicant who is a tenant in City rental stock 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.

## 8.9. ALLOCATION SPLIT FOR CATEGORY A & B

- 8.9.1. The PSC will recommend a project-specific split of housing opportunities provided by a project based on the directives above for -
- (a) Residents from the target areas on the Housing Database;
  - (b) Applicants longest on the database from outside the target areas; and
  - (c) Special Needs cases on the database from inside the target areas first, and if necessary, from those longest on the database from outside the target areas;
- 8.9.2. 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 split may be recommended to the ED **for approval after consultation with the Mayca member**;
- 8.9.3. The PSC shall recommend the project beneficiary split to the ED, and the Allocation Oversight Committee; and
- 8.9.4. 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.

## 8.10. POTENTIAL BENEFICIARY LISTS FOR CATEGORY A & B

- 8.10.1. Once the allocation split has been approved, the HIB shall apply the selection criteria as set out by the PSC to compile a list of potential beneficiaries;
- 8.10.2. HIB shall check the potential beneficiaries against the City's tenant register and request a basic screening to be done by the Province's Housing Subsidy Administration Unit against the HSS;
- 8.10.3. The HIB and PM will analyse the outcome of the lists to ensure reasonable applications dates and age applies for the project. The PM may recommend to the ED for a change in the split;
- 8.10.4. This list and request for applicants to present themselves at the local housing office or designated venue shall be advertised, *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 PSC for a set period of time. This process shall be managed by the City of Cape Town; and
- 8.10.5. Applicants 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**, 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.
- 8.10.6. An applicant's date of application 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.

## 8.11. SUBSIDY APPLICATION FOR CATEGORY A & B

- 8.11.1. The PM and Subsidy Administrator shall aid the potential beneficiaries to complete housing subsidy application forms;
- 8.11.2. These preliminary selected households' information is then captured from the subsidy application forms into the HSS which checks information against the Population Register, Deeds Office, the Unemployment Insurance Fund and other Government systems as part of the subsidy verification process;
- 8.11.3. Several rounds of beneficiary selection may take place, removing applicants who do not qualify, until all the housing opportunities have been allocated;
- 8.11.4. Projects are usually executed in phases where housing opportunities are handed over continuously until the whole project is complete and signed off; and
- 8.11.5. The process of registering ownership of the properties with the Deeds Office will occur in parallel after subsidy approval, allocation and deeds of sale for the issuing of title deeds to individual beneficiaries.

## HOUSING OPPORTUNITY: CATEGORIES C

### 8.12. ADDITIONAL CRITERIA FOR ALLOCATION IN CRU OPPORTUNITIES

- 8.12.1. Applicants, whose preference is for rental housing, shall be allocated in their area of choice provided that, the allocation is done in order of the application date;
- 8.12.2. **For New CRU opportunities provision is made to accommodate between 25 and 40 percent of the total number of tenants in City rental stock with a monthly joint income of greater than R3 500 but not greater than R10 000 provided they pay a penalty rental on the following basis:**
  - (a) **Where the monthly income ranges between R3 501 and R7 500 the rental payable is the economic cost recovery rental plus 8% on the amount exceeding R3 500;**
  - (b) **Where the monthly income is between R7 501 and R10 000 the rental payable is the economic cost recovery rental plus 10% on the amount exceeding R7 500; and**
  - (c) **Where the monthly income exceeds R10 000 the tenant will not be signed up for a CRU unit.**
- 8.12.3 For Existing CRU opportunities and Hostel Upgrades the following principles will apply:
  - (a) Where the monthly income ranges between R3 501 and R7 500 the rental payable is the economic cost recovery rental plus 8% on the amount exceeding R3 500;
  - (b) Where the monthly income is between R7 501 and R10 000 the rental payable is the economic cost recovery rental plus 10% on the amount exceeding R7 500; and
  - (d) Where the monthly income exceeds R10 000 the tenant will be required to pay the economic cost recovery rental 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.
  - (e) 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 (d) will apply.

### 8.13. ALLOCATION SPLIT OF CRU RENTAL OPPORTUNITIES

8.13.1. The PSC will recommend a project-specific split between -

- (a) Applicants on the Housing Database from the target areas;
- (b) Residents from informal settlements inside the target areas as per the Informal Settlements Development Matrix for the particular settlement/s ;
- (c) Applicants longest on the database from outside the target areas; and
- (d) Applicants with special needs from inside the target areas first, and if necessary, from those longest on the database from outside the target areas;
- (e) Good-standing tenants from existing rental stock within the targeted area of a new project who have applied for a transfer may also be considered for allocation.

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

- (a) **Up to 80** percent of the total number of housing opportunities the project will deliver (inclusive of any households from informal settlements and applicants from the special needs category) **must** be allocated to qualifying applicants within the targeted area; and
- (b) **The balance** of the total number of housing opportunities the project will deliver **must** be allocated to applicants from outside the targeted area (inclusive of any applicants from the special needs category, if required).

## 8.14. CRU HOSTEL UPGRADES

8.14.1. Allocations to the upgraded CRU will be done in accordance with the relevant prescripts of the National CRU Programme by the local housing office; and

8.14.2. Vacancies will be filled from the list of families previously identified as part of the de-densification arrangements also referred to as 'displaced persons'. When the latter list of names is exhausted the standard allocation process for rental opportunities, as prescribed in this policy, will apply. The local housing office will be responsible for this allocation.

## 8.15. ALLOCATION PROCESS FOR CATEGORY C: CRU OPPORTUNITIES

8.15.1. Identified applicants who qualify will be assigned a CRU opportunity;

8.15.2. Tenants will sign renewable two-year lease agreements in accordance with the prescripts of the Consumer Protection Act, 2008;

8.15.3. As far as possible, every effort will be made to accommodate the elderly, and applicants with severe disabilities on ground floor or first floor units in multi-storey flats; and

8.15.4. Tenants may not swop CRUs.

## 8.16. CRU RENTAL HOUSING RE-ALLOCATION

### VACANCIES

8.16.1. Vacancies in existing CRU stock must immediately first be offered to current tenants as a rightsizing opportunity;

8.16.2. The CRU vacated by the tenant who has been rightsized, must then be offered to the applicant from the housing database in date of application order; and

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

## TRANSFERS TO OTHER UNITS

- 8.16.4. 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. This suggests that their transfer request date will be considered as their new application date and not their tenancy commence date;
- 8.16.5. Tenants will be assisted in their transfer request date order;
- 8.16.6. Tenants who have been transferred must first give a written undertaking in the form of a signed affidavit that they will give the City vacant possession of the CRU they are vacating; and
- 8.16.7. Tenants are not allowed to swap rental units outside the formal transfer processes.

## TRANSFER OF TENANCY

- 8.16.8. **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, in the case of joint custody, to the spouse whose home is the primary residence of the minor children 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 is concerned. In the case of no minor children the divorce decree must stipulate which party will take ownership of the tenancy;
- 8.16.9. **In the event of separation or desertion**, the tenancy may be transferred to the spouse/ partner in occupation of the premises following the absence by the tenant of more than three (3) months. The tenancy commences the day following the date that the affidavit by the spouse or partner in occupation confirming the absence of the tenant is submitted or due legal process having been followed including due notice to the absent tenant where this is possible;
- 8.16.10. **In the event of marriage or cohabitation**, the tenancy may be transferred to the spouse only on written consent of the tenant;
- 8.16.11. **In the event of the death of spouse/partner**, the tenancy may be transferred to the surviving spouse/ partner on the death of the tenant. The tenancy commences the day following the death of the tenant as recorded on the death certificate;
- 8.16.12. **In the event of death of the surviving partner/spouse**, the remaining occupants are the minor children of the deceased tenant, the tenancy may be transferred to a –
- (a) legally appointed guardian, taking full responsibility for the tenancy, until the eldest child reaches the maturity age of 18 years when responsibility for the tenancy will be reviewed; or
  - (b) family member who is a direct relations to the initial tenant namely a child, an uncle, aunt, brother, sister, child or grandchild if he/she is part of the original family housed or born on the property 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.
- 8.16.13. If more than one family member is eligible and qualifying to be considered 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 based on specific criteria to be determined by the Manager of Tenancy and Homeownership Management; and

- 8.16.14. **In the case where tenancy is relinquished**, a transfer may be considered in terms of qualifying criteria to the remaining occupants provided that they are direct relations to the relinquishing tenant and have been part of the original family.

### **RIGHTSIZING**

- 8.16.15. 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 based on availability of units.
- 8.16.16. Tenants in saleable units who are not interested in ownership will be right-sized into non-saleable rental units. The saleable unit will be made available to a tenant currently in a non-saleable unit if they are interested and meet the qualifying criteria. The units will be allocated in terms of sections 8.4.1, 8.4.4 and 8.16.16 of this policy;
- 8.16.17. Rightsizing from a small unit to a large unit can only be considered if tenants meet the following qualifying criteria:
- Have no arrears;
  - Good standing tenant in terms of the lease agreement;
  - Household size must be relative to the accommodation required; and
  - Households who are in a financial position to afford the larger unit.

### **ALLOCATION FOR HOUSING FOR THE AGED**

- 8.16.18. Aged applicants on the database and existing aged tenants may request transfers to Housing for the Aged (rental units) that are more appropriate for their needs. In addition to the transfer criteria described in 8.15.4. - 8.15.7. above 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.

### **RE-INSTATEMENT OF TENANCIES**

- 8.16.19. Re-instatement will only be considered within six (6) months of the tenant vacating CRU or in special circumstances such as the witness protection programme;
- 8.16.20. Reinstatement will only be applied under the following conditions:
- (a) The applicant must have been a tenant who had a valid lease agreement and was in good standing in terms of the lease conditions;
- (b) Where circumstances were such that the tenant should have given the City vacant possession of the CRU when he/she vacated;
- (c) When the tenant vacates the unit, the notice slip should indicate the reason for vacating the CRU;
- (d) Provide reasons why the City should support the request for re-instatement; and
- (e) All the eligibility criteria are to be met;
- 8.16.21. Re-instatement shall need to be approved by the ED and be processed through the City's Housing Database; and
- 8.16.22. The applicant will be allocated a CRU similar in size and type which the applicant previously occupied when one becomes available (depending on the needs and circumstance at that point in time) and be reinstated on the Housing Database at his/her qualifying date.

## HOUSING OPPORTUNITY: CATEGORY D

### 8.17. ADDITIONAL CRITERIA FOR CATEGORY D SOCIAL HOUSING

- 8.17.1. Applicants on the housing database with monthly household incomes of between R1501 and R3500 may also be considered for Social Housing; and
- 8.17.2. Social Housing Partners must use the City's Housing Database when allocating housing opportunities under this category.

## 9. IMPLEMENTATION PLAN

- 9.1. The stipulations in this policy will apply with immediate effect.

## 10. MONITORING, EVALUATION AND REVIEW

- 10.1. The Directorate of Human Settlements shall undertake quarterly evaluation and reviews;
- 10.2. The efficacy of this policy will be monitored through regular interaction with relevant project managers and feedback from public meetings when these occur; and
- 10.3. After the completion of a project, the project manager, HIB, policy staff, the ED and the Human Settlements Portfolio Committee shall analyze the allocations process and whether improvement is required.