



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ALLOCATION POLICY: HOUSING OPPORTUNITIES (POLICY NUMBER 11969)

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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 unoccupied.;

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

“Aged persons” mean applicants who are 60 (sixty) years and older;

“Anti-social behaviour” means actions conducted on the premises of Public Housing that can cause harm or lack consideration for the well-being of others or any type of conduct that violates the basic rights of another person and any behaviour that is considered to be disruptive to others in society that includes but is not limited to acting in a manner that causes harassment, or distress to one or more persons including alcohol abuse, drug and substance abuse and dealing with, and in possession of drugs, sale of alcohol, illegal possession of firearms, intimidation, gangsterism, vandalism, abuse and sexual harassment;

“Applicant” means a person, together with his/her spouse and listed dependants (if any), who has registered their housing need on the City’s Housing Needs Register;

“Arrangement that has been meaningfully honoured” means that the client has paid the monthly rental plus an arrangement for six consecutive months to indicate their commitment.

“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 structure on the premises of a formalised property, not categorised as an informal settlement, 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.

“Beneficiary” means an applicant, together with spouse/partner and listed dependants (if any), who was selected for a housing project in accordance with the City’s Allocation Policy: Housing Opportunities and was approved by the provincial Department of Human Settlements and registered on HSS for a Housing Subsidy;

“Breaking New Ground (BNG) housing” means housing developed in terms of the Integrated Residential Development Programme (IRDP) which is fully funded by the state for qualifying persons via national housing grants. This housing typology is an ownership tenure model;

“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 Needs Register” 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 a housing opportunity;

“Community Residential Unit” means existing, new, redeveloped and refurbished City-owned rental housing (public 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 a 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 which may also include persons who are hostel bed card holders;

“Dormant” means an applicant from the City's housing needs register who was not contactable within three months from the date the potential beneficiary lists were first displayed despite all attempts to make contact with them;

“Emergency Housing” refers to the national housing programme within the National Housing Code 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 socio-economic survey conducted by the City;

“Exceptional Housing Need sub-category” means cases that are brought to the attention of the City where an applicant or member of the applicant's household are faced with an extraordinary housing situation (including age farm workers as defined by the Extension of Security of Tenure Act, 1997 (Act No. 62 of 1997); Listed Victims as set out in Volume 7 of the Truth and Reconciliation Commission Report; Street people who constitute a family and who have successfully been rehabilitated, the provisioning of services to whom will be guided by the Street Peoples Policy) and are assessed by the Housing Allocation Oversight Committee for priority housing allocation against predetermined criteria. The Housing Allocation Oversight Committee's assessment will be submitted to the Executive Director: Human Settlements for final decision;

“Family member” means a relative of the deceased tenant or a relative of the deceased tenant's spouse/partner including by marriage, fostering, adoption or children born of previous marriages or relationships, and includes grandparents, parents, children, grandchildren, cousins, nephews, nieces, aunts, uncles or siblings, or if such relative is part of the current family housed or born on the property. An individual who has resided on the property with the lawful tenant for an unbroken (proven) period of 2 (two) years immediately prior to the death of the tenant/relinquishing of tenancy, and is listed on the family form/file will also be defined as family in this regard.

“FLISP or GAP” means housing opportunities for beneficiaries with a monthly household gross income ranging between R3 501 and R22 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 business unit in the City which administers and manages the City's Housing Needs Register;

“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 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.

“Integrated Residential Development Programme” refers to the national state funded housing programme found within the National Housing Code of 2009. The programme provides for planning and development of integrated housing projects. Projects can be planned and developed in phases and provides for holistic development orientation;

“Lease Agreement” means the legal agreement between the lessor and tenant;

“Lessor” means the City or Social Housing Institution leasing the property;

“Military Veteran” means a person who is recognised by the National Department of Military Veterans and Defence as a military veteran of the Republic of South Africa by issuing a force number;

“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 all persons registered on the respective housing needs registers of all municipalities and provinces within the Republic of South Africa;

“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 bordering a target area which may include all suburbs not included in the target area;

“Pensioners’ Rental Cottages” mean City-owned rental units which have been developed specifically to accommodate persons 60 years and older;

“Priority Groups” refers to applicants that form part of the following sub-categories:

- (a) Permanently disabled persons as verified by the South African Social Services Agency (SASSA);
- (b) Aged persons who are 60 years and older;
- (c) Exceptional housing needs; and
- (d) Military Veterans as recognised by the National Department of Military Veterans and Defence.

“Project Engagement Committee” means a project committee which will act in an oversight role and facilitate communication between the City and the beneficiary community for the duration of a project. The establishment of this Committee is set out in sections 2.1.2, 3.1.2 and 4.1.3 of this policy;

“Public Housing” means City owned and managed rental housing units created under the Community Residential Units (CRU's) Programme set out in the National Housing Code. These units are known as Public Housing and are created to provide subsidised, affordable rental housing for qualifying residents within the City;

“Regularisation” means instances where unlawful 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 Needs Register” means changing an applicant's status on the City's Housing Needs Register for example from 'dormant' to 'waiting';

“Rightsizing” means the placing of a tenant and his/her family (listed on the original family form) in accommodation that is appropriate for their needs, size 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 or site demarcated in a General Plan with individual municipal services;

“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, the Social Housing allocation 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;

“Suburb” means a smaller area within a City with defined spatial boundaries and a name. It can be considered as a geographically localized community within the larger city. Suburb names form the last part of the Official Situational Address for each property and it includes all formalised and informal areas located within it;

“Target areas” means a specific suburb, the housing project host suburb, or the immediate suburb(s) bordering the housing project from which prospective beneficiaries will be drawn from for a particular housing project as approved by the Executive Director: Human Settlements;

“Tenant” means a person who is renting a property from the City or a Social Housing Institution and has entered into a lease agreement with the City or the 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 rental unit/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 rental unit for a valid reason, to another family member or person living in the same rental unit;

“Transitional housing” means the intermediate step between emergency crisis shelter and permanent housing;

“Top structure” means a house that is constructed from brick and mortar or any nationally approved alternative building material;

“Unlawful occupant” means a person who in relation to the City's rental housing is not a family member listed on the City's tenant family form and who: —

- (a) Has moved into a vacant dwelling without the City's authorisation,
- (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, de-densification and /or relocation;

“Vacate” means the tenant has moved out of the City rental housing unit without the City's knowledge and has left occupant(s) behind i.e resulting in unlawful occupation of the rental unit

ABBREVIATIONS AND ACRONYMS

| | |
|-------|--|
| ARF | Allocation Request Form |
| BNG | Breaking New Ground |
| CRU | Community Residential Unit |
| EEDBS | Enhanced Extended Discount Benefit Scheme |
| ED | Executive Director |
| EPHP | Enhanced People's Housing Process |
| 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 |
| VPNra | Virtual Private Network Remote Access |

CHAPTER 1: INTRODUCTION

1.1 PROBLEM STATEMENT

- 1.1.1 Section 26(1) of the Constitution of the Republic of South Africa, 1996 (the Constitution) provides that “Everyone has the right to have access to adequate housing.” The City of Cape Town is tasked with the mandate of ensuring the progressive realisation of this right within its boundaries as outlined in Section 26 (2) of the Constitution.
- 1.1.2 The selection and allocation of beneficiaries for state subsidised housing opportunities is the responsibility of the City. In order to ensure that 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.
- 1.1.3 The latest review of the Allocation Policy was approved by Council on 25 March 2015.
- 1.1.4 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 (2021) intends to establish delineation between the various housing categories and clearly orientate its offering toward housing allocation in the City.
- 1.1.5 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 Needs Register. 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;
 - Incorporating processes of possible regularisation of unlawful occupation within the City’s public rental housing units;
 - Determining the mechanisms to deal with prospective tenants displaying anti-social behaviour; and
 - Allocation process for housing opportunities in upgrading of informal settlements projects.
- 1.1.6 The Allocation Policy: Housing Opportunities, 2021, 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, Institutional Housing and a portion of Social Housing.

1.2 DESIRED OUTCOME

- 1.2.1 The main objective of this policy is to set out the criteria, processes, procedures and responsibilities related to:
- (a) Selecting beneficiaries for new state subsidised housing opportunities;
 - (b) Selecting tenants when vacancies occur within existing and new built City owned rental housing¹;
 - (c) Selecting prospective tenants for a portion of rental units within new Social Housing developments suitable for the households earning R5 500 or less per month;
 - (d) Prioritising an exceptional housing need which deviates from date of registration principle;
 - (e) Incorporate processes of possible regularisation of unlawful occupation within the City's public rental housing units under certain circumstances and to establish mechanisms to deliberate on matters where prospective tenants have a record of anti-social behaviour; and
 - (f) Establishing protocol for instances where a deviation from this policy is necessary.
- 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 Needs Register.

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 principles of selecting and ranking applicants for a housing opportunity.

1.3.2 FAIRNESS AND EQUITY

- 1.3.2.1 All persons have equal opportunity in applying for housing assistance in accordance with the applicable National Housing Programme.
- 1.3.2.2 This policy attempts to create a balance in allocating housing opportunities to those persons who have applied for housing assistance.

¹ New City owned rental units will be developed as part of the national housing programme called the Hostel Redevelopment Programme

1.3.3 INTEGRATION

1.3.3.1 This policy attempts to promote 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.

1.4 POLICY PARAMETERS

1.4.1 This policy defines 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 applicable to categories of housing opportunities developed/managed/facilitated by the City or the Western Cape Department of Human Settlements or any development by any 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 following housing opportunities developed via the National Housing Code will be applicable for this policy, namely:

- the Integrated Residential Development Programme (IRDP),
- Enhanced People's Housing Process (EPHP)
- Community Residential Unit (CRU),
- Institutional Housing Programme (IHP),
- A portion of Social Housing Programme (SHP) and
- Upgrading of Informal Settlements Programme (UISP)

1.4.4 Chapters 2, 3 and 4 of this policy will clearly set out the implementation programme for categories A, B and C as defined in the table below, while Chapter 5 will focus on deviations, process of appeal and the monitoring and evaluation applicable to 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/BNG | 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 | Housing Development |
| | | EPHP | This is a process where beneficiaries are actively involved in making decisions related to the housing delivery process and product, and where they participate in processes related to community development that contribute and add value to general sustainability. PHP can be applied in most housing situations, for example greenfields developments, in situ upgrading, informal settlements upgrading, and consolidation | Ownership | Housing Development |
| | | 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 | Housing Development |
| | R3 501 – R7 000 | IRDP | In instances where the housing project can make provision for this housing opportunity, it would allow persons within this income category (who does not qualify for BNG housing opportunity) to 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. | Ownership or Rental | Housing Development |

| | | | | | |
|-----------------|---|--|---|---------------------|--|
| | | | Persons will therefore be responsible to develop their own house without state funding. | | |
| | R1 500 – R5 500 | Social Housing | Only applicable to the 30% portion of rental housing opportunities developed and managed by a Social Housing Institution for persons within the R1 500 – R5 500 income category also known as the primary reach category. | Rental | Social Housing |
| 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 – R15 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 | Public Housing |
| | | | 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 | Public Housing |
| 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 the provision of a serviced site and top structure or | Ownership | Housing Development or Informal Settlements |

| | | | | | |
|--|------------------|----------------|--|---------------------|---|
| | | | Upgrading of Informal Settlements in situ or as part of greenfields or infill housing developments resulting in only serviced sites (plot) | | |
| | R3 501 - R22 000 | UISP (Phase 3) | Upgrading of Informal Settlement in situ or as part of a greenfields or infill housing development. Persons within this income category do 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 | Housing Development or Informal Settlements |

Table 1: Allocation Policy parameters

- 1.4.5 Allocations in respect of the Emergency 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 within the National Housing Code will apply and any other 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 those names registered on the City's Housing Needs Register will 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 Register². Persons registered on the City's Housing Needs Register will include persons residing in backyards, in overcrowded conditions, informal settlements, public housing 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 Needs Register except in the following instances:
- 1.4.8.1 Upgrading of Informal Settlements Programme;
 - 1.4.8.2 Transfer of tenancies within City's Public Housing;

² This is in line with the directive from the National Department of Human Settlements which stated that all names registered on the respective municipalities and provincial housing database (needs registers) must also be uploaded onto the National Housing Needs Register and only these names will be eligible for housing projects developed by the state. This excluded allocation of Social Housing units which is developed by accredited Social Housing Institutions.

1.4.8.3 Exceptional housing needs cases approved for priority housing allocation; or

1.4.8.4 Cases approved via the deviation clause.

1.4.9. The provisions of this policy is subject to any amendments to the National and Provincial Human Settlements legislative and policy framework.

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) Identity 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 as well as online via the link provided in clause 1.5.2.

1.5.7 The address recorded on the Housing Needs Register at the time of selection will be used as the residential address of the applicant for allocation purposes.

1.5.8 At the time of assistance with a housing opportunity, the applicant must also meet the general national qualifying criteria.

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, this policy is strategically aligned to the Municipal Spatial Development Framework, the Transit Orientated Development Strategic Framework, the Western Cape Provincial Framework Policy for the Selection of Housing

Beneficiaries in Ownership-based Subsidy Projects, 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 Needs Register by ensuring housing assistance, based upon the specific National, Provincial and City qualifying criteria.
- *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:

- The Constitution of the Republic of South Africa, 1996 (Bill of Rights- Section 26);
- The Housing Act, 1997 (Act No. 107 of 1997);
- The National Housing Code 2009;
- Rental Housing Act, 1999 (Act No. 50 of 1999);
- Social Housing Act, 2008 (Act No. 16 of 2008);
- The Consumer Protection Act, 2008 (Act No. 68 of 2008);
- Western Cape Provincial Framework Policy for the Selection of Housing Beneficiaries in Ownership-based Subsidy Projects;
- Western Cape Department of Human Settlements Circular C 2 of 2019
- Western Cape Department of Human Settlements Policy on assessing the disability status of housing subsidy application for the purposes of determining subsidy eligibility;
- The City of Cape Town Integrated Development Plan;
- The City of Cape Town System of Delegations;
- The City of Cape Town Credit Control and Debt Collection Policy;
- The City of Cape Town Credit Control and Debt Collection By-law, 2006;
- The City of Cape Town Municipal Spatial Development Framework;
- 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: HOUSING DEVELOPMENT DEPARTMENT

2.1.1.1 The Housing Development 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 Housing Development 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 Housing Development 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. The analyses should as a minimum requirement take the following variables into consideration:

- a) housing need as reflected on the City's Housing Needs Register³;
- b) past and planned projects within the respective suburb(s) or surrounding areas;
- c) age and disability profile within the respective suburb(s) or surrounding areas;
- d) income profile within the respective suburb or surrounding areas if available; and
- e) area of informality within the respective suburb(s).

The latter recommendation will be presented to the relevant Project Engagement Committee for their input before final submission is made to the Executive Director Human Settlements for approval.

2.1.2 PROJECT ENGAGEMENT COMMITTEE

2.1.2.1 A Project Engagement Committee (PEC) must be established for each housing project. The composition and functions of the PEC will be set out in a standard operating procedure (SOP) to be approved by the Executive Director: Human Settlements. The approved SOP must detail the process and procedures for election of the relevant PEC members.

2.1.2.2 Upon establishment of the PEC, all members of the PEC will be required to sign the Terms of Reference and members will be required to acknowledge that they

³ Including the number of proven military veterans residing within the metro.

will only operate within the prescripts of the Terms of Reference. Members of the PEC will consist of relevant City representatives, the appointed contractors/consultants as well as elected representatives from the beneficiary community.

- 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 EXECUTIVE DIRECTOR: HUMAN SETTLEMENTS

- 2.1.3.1 The ED: Human Settlements within the City may approve specific cases of exceptional housing need recommended by the Housing Allocation Oversight Committee for priority housing allocation; and
- 2.1.3.2 The ED: Human Settlements, after receiving a motivation from the Director: Housing Development may, after consultation with the relevant Mayco member, approve a deviation from the policy in exceptional circumstances. Deviations must be well motivated by the project manager of that specific housing project.
- 2.1.3.3 The ED: Human Settlements responsible for human settlement, if he/she agrees, will approve the target area and beneficiaries quotas based on the analyses and recommendation by the Housing Development Department by signing-off the ARF submitted by the relevant PM⁴. The approval must be in line with the provision of this policy.
- 2.1.3.4 The ED: Human Settlements may amend the target areas and beneficiary percentage allocation quota in accordance with the provisions of this policy, in the event that the analyses prepared by the Housing Development Department and the Housing Information Branch warrant such amendment.

2.1.4 HOUSING ALLOCATION OVERSIGHT COMMITTEE

- 2.1.4.1 The establishment and composition of the Housing Allocations Oversight Committee is described in the Terms of Reference for the Housing Allocations Oversight Committee.
- 2.1.4.2 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.
- 2.1.4.3 The Committee is responsible for:
 - a) Verifying that the Human Settlements project managers has followed the applicable prescripts of this Policy in arriving at the project target area and project beneficiary quota by assessing and signing-off on the information obtained in the ARF;

⁴ The recommendation will be based on the desk top analyses and input by the respective PEC as per clause 2.1.1.3

- b) Monitoring the process for 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: Human Settlements for his/her approval for priority housing allocation; and
- d) Making recommendations to the relevant ED on other allocation matters brought to its attention.

2.1.5 MAYORAL COMMITTEE MEMBER RESPONSIBLE FOR HUMAN SETTLEMENTS

- 2.1.5.1 The Mayoral Committee (MAYCO) member notes the target areas and beneficiary percentage quota as approved by the Executive Director: Human Settlements, as per clause 2.1.3.3.
- 2.1.5.2 The MAYCO member must be engaged on the request for deviation from this policy, by the ED: Human Settlements.

2.1.6 HOUSING INFORMATION BRANCH

- 2.1.6.1 The Housing Information Branch (HIB) manages and administers the City's Housing Needs Register and is responsible for selecting potential beneficiaries from the City's Housing Needs Register in accordance with the approved ARF for a housing project.
- 2.1.6.2 The HIB encourages persons registered on the City's Housing Needs Register to update their information every two years via appropriate mechanisms.

2.1.7 PROVINCIAL DEPARTMENT OF HUMAN SETTLEMENTS

- 2.1.7.1 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 VPNra System for the City to administer and approve housing subsidy applications;
- 2.1.7.2 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
- 2.1.7.3 The Department will maintain permanent representatives on the City's Housing Allocation Oversight Committee.

2.1.8 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS

- 2.1.8.1 The National Department of Human Settlements (NDHS) is responsible for administering the Housing Subsidy System (HSS) and National Housing Needs Register; and
- 2.1.8.2 The NDHS may appoint external auditors to investigate a particular allocation process.

2.1.9 APPLICANTS

- 2.1.9.1 Applicants are required to register their need for housing on the City's housing Needs Register;
- 2.1.9.2 It is the responsibility of all applicants registered to inform the HIB of any changes to their personal information such as address, marital status, income, or special needs and disabilities;
- 2.1.9.3 Applicants must at all times ensure they are contactable by updating their contact details with the HIB; and
- 2.1.9.4 Applicants must come forward to update their information on the Housing Needs Register every two years as from the date of registration and when personal information changes.

2.1.10 SUBSIDY ADMINISTRATOR/ SUBSIDY FACILITATOR

- 2.1.10.1 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 selections are made from the list/s of applicants from the City's Housing Needs Register, under no circumstances must any other lists or names be used;
 - (b) Ensuring that the shortlisted 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 as well as the HIB with details of houses that were handed over to the 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; and
 - (j) May not releasing any beneficiary lists to unauthorised or third parties.

2.1.11 CITY OF CAPE TOWN: SOCIAL HOUSING AND RESTITUTION SECTION

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

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

2.1.12 SOCIAL HOUSING INSTITUTIONS

- 2.1.12.1 The Social Housing Institutions are responsible for facilitating the development and undertaking the management of Institutional Housing and Social Housing projects and are regulated by the Social Housing Regulatory Authority, as defined by the Social Housing Act, 2008 (Act No. 16 of 2008). Social housing is thus a nationally funded and regulated programme.
- 2.1.12.2 Where the City's Social Housing partners undertake a project on land made available through sale or lease by the City, the City and the respective SHI will then enter into a project partnership agreement.
- 2.1.12.3 The project partnership agreement will contain conditions for the allocation of units at the time of completion. Such conditions may specify targeted spatial area(s) from which prospective tenants can be selected from.
- 2.1.12.4 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 requirements, the SHI can turn down their application. 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.

2.1.13 HUMAN SETTLEMENTS PORTFOLIO COMMITTEE

- 2.1.13.1 The Portfolio Committee monitors the implementation of this policy.

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 gross 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) The applicant and his/her spouse must not have benefited from a government housing subsidy before; and
- (h) Have never owned a residential property.

Special considerations:

- (i) 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.
- (j) Applicants who are disabled or 60 years and older or proven military veterans (as recognised by the National Department of Defence and Military Veterans and has a force number) can apply for a housing subsidy as a single person, thus without proven financial dependents.
- (k) Applicants who do not qualify for a housing subsidy may still be offered a housing opportunity based in terms of the specific criteria for non-qualifiers of the particular National Housing Programme applicable to the development for which they have been selected, if the project makes provision for it.

2.2.1.2 In addition, the pre-emptive clause as contained in sections 10A and 10B of the Housing Act, 1997 (Act No. 107 of 1997), limits both the voluntary and involuntary sales of houses obtained by persons via any of the national housing programmes within the first eight (8) years of receiving the house. Within this period a beneficiary may only re-sell the property back to the

relevant Provincial Human Settlements Department. This type of Voluntary sale occurs when a beneficiary, for whatever reasons, chooses not to keep the subsidy house.

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 was 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-structure (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.

- 2.2.2.3 The Western Cape Department of Human Settlements developed a broader definition of disability to allow municipalities to enhance their targeting of households during beneficiary selection. The definition uses the receipt of a South African Social Services Agency (SASSA) permanent disability grant by a household as a way of determining disability status. This definition and verification process is utilised by the City to determine an applicant's disability status.

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 needs register with the exception of cases listed in clause 1.4.8. The selected applicants will be informed of the housing project they were selected for which they may accept or decline. Thereafter, selected persons will be screened in terms of the National and Provincial qualifying criteria as per clauses 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 needs register (HNR) to the target area of a project after the first extraction of the names from the HNR will not be considered for that particular 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 potential 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 clause. The action that may be taken is as follows:
- (a) cancellation of the approved subsidy on the housing subsidy system (HSS); and
 - (b) re-allocate the housing opportunity to the next qualifying persons on the City's housing needs register (in date of registration order) in accordance with the approved Allocation Request Form (ARF) of that housing project.
- 2.2.3.7 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 where possible;
- 2.2.3.8 Approved beneficiaries shall not let or sub-let the property until the transfer of the property has been registered into their name. If in breach, the City reserves the right to allocate and transfer the property to the next qualifying person on the City's housing needs register;
- 2.2.3.9 Clause 2.2.3.6 and clause 2.2.3.8 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;
- 2.2.3.10 Once the recommendation for the target area and beneficiary allocation quota has been approved by the Executive Director: Human Settlements, the HIB shall apply the selection criteria to compile a list of potential beneficiaries;
- 2.2.3.11 HIB shall submit an extract of names to Public Housing in order for them to cross reference the potential beneficiaries against the City's tenant register to determine who is in good standing in terms of the rental account;
- 2.2.3.12 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 housing needs register 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 ED: Human Settlements and noted by the MAYCO member for Human Settlements;
- 2.2.3.13 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 as well as through the contact details stipulated by the applicant. This will be made available for a period of 30 calendar days during which any objections may be raised. This process shall be managed by the City;
- 2.2.3.14 Persons from the City's housing needs register 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 housing needs register), will be deemed unresponsive and marked as "DORMANT" on the housing needs register 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” applicant comes forward after the full beneficiary compliments of the project has been reached, the applicant will not be able to be accommodated in that respective housing project, but HIB may re-instate their record on the Housing Needs Register for consideration for any future projects.

- 2.2.3.15 Approved beneficiaries (persons who have been selected and approved for the housing project) who cannot be traced after extensive attempts⁵ 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 Needs Register. The Project Manager must keep record of attempts made to contact the beneficiary i.e. telephonic contact, sms, registered mail, and visit to address on housing needs register, notice at housing project office and email to local ward councillor⁶.
- 2.2.3.16 The approved list of beneficiaries will be published 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 period of 30 calendar days during which any final objections may be raised.
- 2.2.3.17 An applicant's date of registration on the Housing Needs Register 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 Needs Register in certain circumstances.

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

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) Applicants registered on the housing needs register from the identified target area in date of registration order⁷;
- (b) Applicants registered on the housing needs register from outside the identified target area in date of registration order;

⁵ 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 housing needs register, notice at municipal housing office.

⁶ If requested, the local ward councilors must provide evidence of contact made with the prospective beneficiary

⁷ The targeted area will be expanded progressively in future projects to ultimately include all suburbs of the City of Cape Town.

- (c) Households from informal settlements/areas inside the target areas (who may not necessarily be registered on the Housing Needs Register) when required⁸ and
- (d) Persons registered on the Housing Needs Register under the priority groups category from inside the target area 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 cases with exceptional housing need.⁹

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) **A maximum of 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) , (iv) and (v) when the need arises as stated below:
 - i. Mandatory category: Persons registered on the City's Housing Needs Register whose address forms part of the target area will be selected in date of registration order. The address recorded on the City's Housing Needs Register will be used as the residential address at the time of selection;
 - ii. Mandatory category: Persons within the Priority Groups Category registered on the City's Housing Needs Register within the target area will be selected in date of registration order with the exception of sub-categories c & d of the Priority Groups category. A minimum of 5 percent of the total number of housing opportunities each housing project will deliver must be allocated to the aged and disabled persons sub-categories respectively and in that order;
 - iii. Optional category: The exceptional housing needs sub-category will only be triggered when the need arises. Persons will not be selected in terms of their date of registration on the City's housing needs register. Each housing project must make a minimum of 1 housing opportunity available for this sub-category¹⁰;
 - iv. Optional category: Military Veterans sub-category will only be triggered when upfront project approval thereof has been granted.

⁸ 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.

⁹ In terms of the National Human Settlements Directive municipalities should as far as possible prioritise proven military veterans with housing regardless of whether they are registered on a municipal housing needs register. Due to the unique housing specifications and funding model, upfront analyses will determine the inclusion of military veterans in a particular housing project.

¹⁰ If no exceptional housing need cases are approved for priority housing allocation, the housing unit may be re-allocated to the next qualifying applicant on the City's Housing Needs Register who resides within the target area.

- v. 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 residents. The register for Informal Settlements will be based on the latest city recognised community survey data.

(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. Mandatory category: Persons registered on the City's Housing Needs Register from outside the target area will be selected in date of registration order;
- ii. Optional category: Persons within the Priority Groups Category registered on the City's Housing Needs Register from outside the target area if required as stated in clause 2.3.1 (d) will be selected in date of registration order;
- iii. Optional category: The exceptional housing needs sub-category will be triggered when the need arises. Persons will not be selected in terms of their date of registration on the City's housing needs register. Each housing project must make a minimum of 1 housing opportunity available for this category¹¹;
- iv. Optional targeted allocation category: Informal Settlements/Area outside the target area identified for relocation. The date of registration principle will not apply for this category as the intention is to relocate residents. The register for Informal Settlements will be based on the latest city recognised community survey data.

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

- (a) the tenant has no arrears, or has made an arrangement that has been meaningfully honoured; and
- (b) the tenant ensures that no other persons will remain behind in the rental property including front and backyards.

2.3.4 The Housing Development 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

¹¹ If no exceptional housing need cases are approved for priority housing allocation, the housing unit may be re-allocated to the next qualifying applicant on the City's Housing Needs Register.

their comment before a formal submission via the Housing Allocation Oversight Committee (signed ARF) is made to ED: Human Settlements for his/her approval.

2.3.5 In instances where the project can make provision for persons who have been selected, but do not meet the national qualifying criteria for a housing subsidy, may be assisted as follows:

2.3.5.1 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.¹² 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.

2.3.5.2 Households whose income exceeds R7 000 up to R22 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 The Institutional Housing Programme is a rent-to-buy tenure option for qualifying households who earn between R0 – R3500 per month and follows the prescripts as set out in the National Housing Code under the Institutional Housing Policy;

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 Needs Register who fit the criteria for institutional housing as stipulated in the National Housing Code;

2.4.4 Once a person – selected from the City's Housing Needs Register – 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 Needs Register.

¹² 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.

2.5 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 is regulated by the Social Housing Act, 2008 (Act No. 16 of 2008) together with the Social Housing Policy prescripts as set out in the National Housing Code (2009). As part of the Social Housing regulations, Social Housing Institutions are required to target rentals at varying percentages for different income groups.
- 2.5.2 The Social Housing Regulations further states that any new Social Housing development must set aside a minimum of 30% of the rental units to prospective tenants in the primary reach income group i.e. households with a monthly income of between R 1 500 – R 5 500. As many of the persons registered on the City's Housing Needs Register form part of this income group, preference should be given to persons registered on the City's Housing Needs Register during the Social Housing application process. The latter however does not guarantee a successful application. All prospective tenants will be screened by the respective Social Housing Institutions to ensure eligibility criteria are met, and selection will be based on the merits of a prospective tenant's application in relation to others. Eligibility criteria can include, but is not limited to: whether the applicant currently works in the area that the project is located in; whether they have sufficient disposable income for rent, and whether they exhibit a willingness to pay rent.
- 2.5.3 The project partnership agreement between the Social Housing Institution and the City on any new Social Housing project will reference 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.
- 2.5.4 As part of the Social Housing marketing campaign for any new Social Housing Project, the City may notify persons registered on its Housing Needs Register (based on the conditions contained in the project agreement) to apply for Social Housing. 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 rental unit and thereafter the SHI will inform the City thereof.

CHAPTER 3

IMPLEMENTATION PROGRAMME RELEVANT TO CATEGORY B: CRU/PUBLIC HOUSING

3.1 ROLES AND RESPONSIBILITIES

3.1.1 EXECUTIVE DIRECTOR: HUMAN SETTLEMENTS

- 3.1.1.1 The ED: Human Settlements may, 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: Human Settlements, after receiving a motivation from the relevant Director (Housing Development or Public Housing) may, after consultation with the MAYCO Member: Human Settlements, approve a deviation from the policy in exceptional circumstances. Deviations must be well motivated by the relevant Directors.¹³

3.1.2 PROJECT ENGAGEMENT COMMITTEE

- 3.1.2.1 A Project Engagement Committee (PEC) must be established for each housing project. The composition and functions of the PEC will be set out in a standard operating procedure (SOP) to be approved by the Executive Director: Human Settlements. The approved SOP must detail the process and procedures for election of the relevant PEC members.
- 3.1.2.2 Upon establishment of the PEC, all members of the PEC will be required to sign the Terms of Reference and members will be required to acknowledge that they will only operate within the prescripts of the Terms of Reference. Members of the PEC will consist of relevant City representatives, the appointed contractors/consultants as well as elected representatives from the beneficiary community.
- 3.1.2.3 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 DEPARTMENT

- 3.1.3.1 The Public Housing Department is responsible for the overall tenancy management of the City owned rental housing properties which includes the transfers of tenancies and the transfer of ownership to eligible tenants of City owned saleable rental housing properties.

¹³ Deviation must be in line with the approved 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/Public Housing rental vacancies that must be filled by applicants on the Housing Needs Register;
- (b) Entering into renewable two-year lease agreements with tenants identified in terms of this policy, and advise the HIB accordingly; and
- (c) Cross reference list of names from the City's Housing Needs Register provided by HIB or a BNG housing project against tenancy register to determine whether tenants were selected and whether they have any outstanding arrears or rental services.

3.1.5 HOUSING INFORMATION BRANCH

3.1.5.1 The HIB manages and administers the City Housing Needs Register and is responsible for identifying and submitting the details of the next qualifying applicant on the Housing Needs Register, 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 or when new Public Housing rental properties are being developed.

3.1.6 CASES COMMITTEE

3.1.6.1 The Cases Committee has been established to assist the Public Housing Department to make transparent, consistent and equitable decisions over complex matters related to tenancies. 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;
- (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 process for 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 must be engaged on a request for deviation from this policy by the ED: Human Settlements.

3.1.9 HUMAN SETTLEMENTS PORTFOLIO COMMITTEE

- 3.1.9.1 The Portfolio Committee monitors the implementation of this policy.

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 housing opportunity within a BNG housing project and the HIB detects irregularities as per clause 3.1.4.1 (c) the tenant will have to settle their arrears or have made an arrangement that has been meaningfully honoured 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 comply with the conditions of clause 3.2.2.1 will not form part of the housing project they were selected for. They will retain their record on the Housing Needs Register 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, but will be based on the date of registration principle.
- 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 non-saleable rental housing on condition that they are not physically occupying the property that they partially own and if the ownership percentage is 50% (percent) or less.
- 3.2.2.6 Once a person has accepted the offer of the rental unit and has entered into a formal lease agreement with the City their record on the Housing Needs Register will be updated to 'tenant' status. Tenants who wish to be eligible for a BNG housing opportunity in the future must indicate their interest and their record on the Housing Needs Register will reflect this. They will retain their original date of registration for this purposes.
- 3.2.2.7 Tenants are not allowed to swop rental units outside the formal transfer processes. The City reserves the right to act against a tenant who is in breach of this clause.

3.3 SELECTION CRITERIA FOR EXISTING CRU/PUBLIC HOUSING

3.3.1 VACANCIES

- 3.3.1.1 Vacancies in existing Public Housing rental 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 action¹⁴;
- 3.3.1.2 Should a tenant accept the opportunity to be rightsized, their empty rental unit must be offered to an applicant from the Housing Needs Register in date of registration order; and
- 3.3.1.3 If there is no need for a rightsizing opportunity, the vacancy shall be offered to an applicant on the Housing Needs Register in date of registration order.
- 3.3.1.4 Despite the prescribed national qualifying monthly household income for CRUs, this policy makes provisions to accommodate households with a monthly joint income up to R15 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 R15 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 R15 000; and
 - (c) Where the monthly joint income is between R10 001 and R15 000 the rental payable is the relevant rental for the unit plus 15% on the amount exceeding R10 001. A two (2) year lease agreement will be signed which will not be renewed if the income is more than R15 000; and
 - (d) Where the monthly joint income exceeds R15 000 the tenant will be required to pay the relevant rental for the unit, the additional charges as stipulated in (a), (b) and (c), plus 25% on the amount exceeding R15 000. A two (2) year lease agreement will be signed which will not be renewed if the income remains more than R15 000.
 - (e) Where a transfer of tenancy (ToT) is requested by a person from the original household and the monthly income exceeds R15 000 the above mentioned principle (d) will apply.

3.3.2 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 3.3.2.1 – 3.3.2.8 below. Failing to meet the criteria as stipulated below will result in all occupants being notified to leave the rental unit. The following conditions will apply for the following circumstances:

¹⁴ The principle of rightsizing is stated in section 3.3.4 of this policy.

- 3.3.2.1 **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. In the case of no minor children the divorce decree must stipulate which party should be considered for transfer of the tenancy. If the divorce decree does not make reference to the tenancy or if no mutual agreement can be reached by the relevant parties within 30 days after being requested to do so in writing, the City will use its discretion to make a final decision with regards to the continued occupation of the rental unit concerned. Once a party has moved out he/she has no future claim to the tenancy¹⁵;
- 3.3.2.2 **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 confirmed absence of the tenant after application is made by the spouse/partner or other family member in occupation if the tenant is absent for a continuous period of more than three (3) months. The tenancy commences the day following the approval of the transfer. Due process must be adhered to in respect of giving notice of the application to the absent tenant, where this is possible. Once a party has moved out he/she has no future claim to the tenancy;
- 3.3.2.3 **In the event of marriage or cohabitation**, the tenancy may be transferred to the spouse in occupation of the property, only on written consent of the tenant;
- 3.3.2.4 **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, at least two year prior to the death of the tenant¹⁶. The tenancy commences the day following the death of the tenant as recorded on the death certificate;
- 3.3.2.5 **In the event of death of the surviving partner/spouse or where there is no spouse/partner**, 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 of the deceased tenant the tenancy may be transferred to a family member in occupation on condition that:
 - (i) he/she is part of the original family housed (appear on the current family form or listed on the tenancy file) 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 stay must be submitted. The proof provided must not be older than five years prior to 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 stay

¹⁵ 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.

¹⁶ 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.

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 eligible¹⁷ 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 i.e. current family form. If no consensus can be reached by the family or if no communication is received from 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 will be applied in the following order:
- (i) Duration of stay at current rental unit will be taken into consideration i.e. the persons with the longest length of stay or the person with the least interrupted stay will take preference;
 - (ii) Chronological age will apply if candidates have the same length of stay i.e. the eldest person who satisfies the eligibility criteria will take preference;
 - (iii) Employment status will be considered at the time of ToT application i.e. a family member with a stable income will take preference.

3.3.2.6 **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 family form or house file) 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 or vacating his/her tenancy. Adequate proof of stay must be submitted. The proof provided must not be older than five years prior to the relinquished/vacated date. If more than one family member is eligible for the tenancy, the policy provision as per clause 3.3.2.5 (c) will apply.

3.3.2.7 Occupants who have a record of anti-social behaviour (12 months prior to a transfer of tenancy application) will undergo further screening by Public Housing to determine their eligibility for the transfer of the tenancy.

3.3.2.8 Occupants who have been left behind in the rental unit by a tenant who have benefited from a BNG housing project, will not be considered for the tenancy¹⁸

3.3.3 UNLAWFUL OCCUPATION OF CITY'S PUBLIC RENTAL HOUSING UNITS

3.3.3.1 Unlawful occupants of City owned Public rental units will not be eligible for regularisation and will be served with a notice to move out of the rental unit. The City will institute legal action if occupants fail to do so within the stipulated notice period.

3.3.3.2 Only unlawful occupants, who have a permanent disability or medical condition may be considered for regularisation of tenancy subject to them

¹⁷ Qualify in terms of the national criteria for Community Residential Units and in terms of clause 3.3.2.5 (b) of this policy.

¹⁸ This is in line with paragraph 2.3.3 (c) of this policy.

meeting the national qualifying criteria for CRUs together with the eligibility criteria as stated below¹⁹:

- (a) Must be registered on the City's Housing Needs Register;
- (b) Monthly household income must not exceed R15 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; and
- (f) Has been living with the tenant for an unbroken period of at least two (2) years prior to the death of the tenant/tenant vacating or relinquishing the tenancy. The proof of stay provided must not be older than five years prior to the death of the tenant/tenant vacating or relinquishing the tenancy.

3.3.3.3 Failing to meet the criteria as stipulated in clause 3.3.3.2 will result in all occupants having to vacate the CRU rental unit. The City will institute legal action if occupants fail to vacate the unit within the stipulated notice period.

3.3.3.3 The prospective tenant with medical conditions (as referred to in clause 3.3.3.2) 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 an 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.

3.3.3.4 Where possible the prospective tenants with medical conditions as referred to in clause 3.3.3.2, together with 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.

3.3.3.5 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.

¹⁹ The unlawful occupants may be considered for regularisation subject to them meeting the qualifying criteria, but not necessarily in the accommodation they presently occupy.

3.3.3.6 Unlawful occupants of City owned properties with medical conditions as referred to in clause 3.3.3.2 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.

3.3.4 RIGHTSIZING

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

3.3.4.2 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.

3.3.4.3 The tenant being rightsized must first give a written undertaking that they will provide the City with a vacant rental unit (including the back and front yard) upon their departure.

3.4 SELECTION CRITERIA FOR HOSTEL UPGRADES

3.4.1 A hostel upgrade is different to a newly 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.

3.4.2 Allocations to the upgraded hostel will be done in accordance with the relevant prescripts of the National CRU Programme, and will be administered by the local housing office. Therefore, only surveyed occupants of the hostel building identified for upgrade and their households will be considered for this project and not persons who are deemed as backyarders²⁰, and

3.4.3 Any remaining vacancies within the Hostel upgrade project be filled from the area based list of families referred to as 'displaced persons' in date of registration order. When the latter list of names is exhausted, the standard allocation process for rental opportunities, as pre-scribed in this policy, will apply. The Staff Housing and Hostel Management Branch within the Public Housing Department will be responsible for this allocation.

²⁰ One household = One housing opportunity

3.5 SELECTION CRITERIA FOR PENSIONERS RENTAL COTTAGES

As part of the current public housing asset portfolio there are 11 rental complexes reserved for pensioners which are situated across the City. The pensioners' cottages are intended for persons 60 years and older and are not suitable to accommodate families. These complexes provide shelter and does not offer frail care or nursing services.

3.5.1 Applicants on the City's Housing Needs Register and existing tenants who are 60 years and older may request transfers to pensioner's rental housing 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.

3.5.2 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.

3.6 RE-INSTATEMENT OF TENANCIES

3.6.1 Re-instatement will only be considered within six (6) months of the tenant vacating a CRU or in special circumstances such as the witness protection programme;

3.6.2 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.

3.6.3 Re-instatement shall need to be approved by the ED: Human Settlements and be processed through the City's Housing Needs Register; and

3.6.4 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 Needs Register at his/her qualifying date.

CHAPTER 4

IMPLEMENTATION PROGRAMME RELEVANT TO CATEGORY C: UPGRADING OF INFORMAL SETTLEMENTS

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 the provision of a serviced site only or a serviced site and a top structure (house).
- 4.1.1.3 The Informal Settlements Department is responsible for the management of informal settlements in terms of provision of housing opportunities where possible and monitoring of settlement growth.
- 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: HOUSING DEVELOPMENT DEPARTMENT

- 4.1.2.1 The Housing Development 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 PROJECT ENGAGEMENT COMMITTEE

- 4.1.3.1 A Project Engagement Committee (PEC) must be established for each housing project. The composition and functions of the PEC will be set out in a standard operating procedure (SOP) to be approved by the Executive Director: Human Settlements. The approved SOP must detail the process and procedures for election of the relevant PEC members.

4.1.3.2 Upon establishment of the PEC, all members of the PEC will be required to sign the Terms of Reference and members will be required to acknowledge that they will only operate within the prescripts of the Terms of Reference. Members of the PEC will consist of relevant City representatives, the appointed contractors/consultants as well as elected representatives from the beneficiary community.

4.1.3.3 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.

4.1.4 EXECUTIVE DIRECTOR: HUMAN SETTLEMENTS

4.1.4.1 The Executive Director: Human Settlements will approve the Departmental Business Plan which will contain the informal settlements prioritised for upgrading as recommended by the Informal Settlements Department.

4.1.5 MAYORAL COMMITTEE MEMBER RESPONSIBLE FOR HUMAN SETTLEMENTS

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

4.1.6 HOUSING INFORMATION BRANCH

4.1.6.1 The Housing Information Branch (HIB) manages and administers the City's Housing Needs Register and is responsible for registering residents within the informal settlement who were enumerated by the Informal Settlements Department as part of a housing project or updating the records of those who are registered.

4.1.7 PROVINCIAL DEPARTMENT OF HUMAN SETTLEMENTS

4.1.7.1 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 VPNra System for the City to administer and approve housing subsidy applications;

4.1.7.2 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

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

4.1.8 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS

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

4.1.9 SUBSIDY ADMINISTRATOR/ SUBSIDY FACILITATOR

- 4.1.9.1 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 as stated in clauses 4.3 and 4.4, under no circumstances must any other lists or names be used;
 - (b) Ensuring that the applicants complete their housing subsidy application forms and sign the Deed 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 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; and
 - (j) Managing project lists and not releasing any list to unauthorised persons or third parties

4.1.10 HUMAN SETTLEMENTS PORTFOLIO COMMITTEE

- 4.1.10.1 The Portfolio Committee monitors the implementation of this policy.

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 dependents; 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; and
- 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.²¹

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 (UISP) 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.

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 persons in date of registration order from the City's housing needs register 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 Needs Register will be registered as part of this process for record purposes. 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, and who were enumerated by the City by means of a survey, will be considered for

²¹ 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 the ownership is 50% or less.

the upgrading of informal settlements project.²² The enumerated list of names will undergo a verification process by the relevant line department before finalising the list of names.²³

- 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 consultation 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 or services site. 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.
- 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 or serviced site 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.

²² The allocation of housing opportunities will be dependent on the project-specific context and priority will be given to the elderly and persons with disabilities and medical conditions.

²³ A verification check will be done on the applicant and spouse/partner against the City's Housing Needs Register, the Housing Subsidy System, the Deeds Register and Home Affairs.

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 Programme within that National Housing Code will apply;
 - (b) Exceptional housing need cases approved for priority housing allocation by the ED: Human Settlements;
 - (c) Applicants being considered for a transfer of tenancy in City owned public rental housing units; and
 - (d) Displaced households identified as tenants where hostels are being upgraded into new CRUs in terms of the Hostel Redevelopment Programme.

5.2 DEVIATION

- 5.2.1 Any deviation from this policy must be well motivated by the relevant human settlements line department and submitted to the Executive Director: Human Settlements for approval.
- 5.2.2 The process of application for a deviation will be stipulated in an internal Standard Operating Procedure.

5.3 PROCESS OF APPEAL

- 5.3.1 Any appeal in relation to the final allocation of an 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) in the form of a written notice of the appeal with reasons to the City manager within 21 days of the date of the notification of the decision.

5.4 MONITORING, EVALUATION AND REVIEW

- 5.4.1 A comprehensive report detailing all deviations and exceptional housing needs cases approved for priority housing by the Executive Director: Human Settlements and reasons for them must subsequently serve monthly before the Portfolio Committee for Human Settlements, the Mayoral Committee and the relevant Sub-councils; and these structures of Council should give their comments on this report. The format and the details of this report will be set out in the Standard Operating Procedure referred to in clause 5.2.2.
- 5.4.2 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.

5.5 CONCLUSION

- 5.5.1 This policy will be effective from the date it receives Council's approval and will replace the Allocation Policy: Housing Opportunities of 2015.
- 5.5.2 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.