



Housing Selection Policy for Beneficiaries in
Ownership-based Subsidy Project.

*Approved by Council
26 August 2015*

TABLE OF CONTENTS	PAGE
Definitions	3
1. Policy Intent	6
2. Policy Framework	6
3. Overall Policy Principles	6
4. Municipal Housing Demand Database	7
4.1 Assigning registration dates to new entries on the database	7
4.2 Data fields on the database	7
4.3 Supporting documentation for registration and updating	9
5. Application of Policy	10
5.1 Mechanisms that apply to more than one project Component type	10
5.2 Green-field, non-relocation project components	11
5.3 Relocation project component type	13
5.4 Institutional and affordable housing project component type	14
6. Institutional Arrangements	15
6.1 Council	15
6.2 Municipal Manager	15
6.2.1 Relevant Director Community Services	15
6.2.2 Manager Housing Administration	16
6.2.3 Project Steering committee/Social Compact	16
6.2.4 Database Administration	17
6.3 Contractor or implementing agents	17
6.4 Channel for queries about preliminary selection	17
6.5 Communication of the Policy	18

DEFINITIONS

Affordable housing project component: A project component providing subsidised opportunities to households by means of the Financed Linked Individual Subsidy Programme (FLISP) subsidies.

Catchment area: The geographic area surrounding a project town designated by the municipality for the purposes of selection. **Each project town has a catchment area inclusive of the town's area itself.** Catchment areas are non-overlapping, and two or more project towns may not have the same catchment area. All areas in the municipality will fall into a catchment area.

Core household: The minimum sized household eligible for a housing subsidy, depending on the age and marital status of applicant members of the household as prescribed by the National Housing Code.

Farm resident: Person whose ordinary residence is a farm, including a farm worker with ordinary residence on the farm.

Greenfield, non-relocation project component: A project component occupying a greenfield site on which there are no pre-existing, legal occupants, and for which the municipality has discretion to select beneficiaries, provided they are eligible for the subsidy.

Housing demand database: A database created by a municipality to store information collected from individuals and households required to select beneficiaries for subsidy housing projects.

Institutional housing component: A project component that uses to the Institutional Housing Subsidy to provide "rent-to-buy" housing units.

Location preference: A data field on the database indicating the area/location in which the individual or household prefers to reside.

People living in overcrowded formal conditions: "Backyarders" in formal housing areas and people living in overcrowded conditions in formal structures in formal housing areas.

Preliminary list of beneficiaries: List of households drawn from the municipal database by following the municipal selection policy, prior to the checking of the eligibility of the households by the appropriate authority (usually the Department).

Pre-screening: A rapid assessment of households' eligibility for housing subsidy programmes undertaken by the municipality itself and/or the Department upon submission by the municipality, prior to the assessment of subsidy applications by the Department. Pre-screening done by the Department excludes the checking of prospective beneficiaries against the Deeds Office record, but includes the checking of ID numbers, marital status, income and whether members of the selected households have received a housing subsidy. Pre-screening by the municipality may include checking selected database entries against the municipality's property register.

Project: A project is a government subsidised human settlement intervention that occurs on single site or set of related sites.

Project component: Each section of project that has a different mechanism for selecting beneficiaries.

Project town: A town in the municipal area in which the municipality has decided to place subsidised housing project (s).

Quota: A portion of the opportunities available in a project component reserved for households with particular characteristics.

Regional Town: A project town designated by the municipality as having a significant economic base and being one in which households residing outside of its catchment area (together with households residing within its catchment area) will be selected for and offered subsidised housing opportunities.

Registration date ordering: The ordering of database entries (eligible for the subsidy in question) from earliest to latest registration date for the purposes of selecting beneficiaries for a project.

Relocation project component: A project component in which the beneficiaries are relocated from an informal settlement or part of an informal settlement to a greenfield site.

The Department: The Western Cape Department of Human Settlements.

Town-based extract: The entries on the municipality's housing demand database resident within the catchment area of the town in question.

Updating: The process whereby individuals or households provide information about their current status to the municipality in relation to the characteristics captured on the database for the purpose of updating their information on the database.

Verification: The process whereby the municipality checks that the claims made by individuals and households about their status when registering on the database or updating their status are true.

1. POLICY INTENT

The main objective of the policy is to set out the relevant processes and procedures that have to be followed when selecting beneficiaries for new housing projects that result in the beneficiary receiving ownership of a subsidised opportunity.

A single project site or set of sites can have a number of project components. Each of the components will be dealt with differently in terms of the selection of beneficiaries. The Policy covers the following project component types each with its own selection mechanisms:

- a) green-field, non-relocation project components for the households eligible for full housing subsidies or serviced site subsidies;
- b) relocation project components linked to informal settlement upgrade projects;
- c) institutional and housing project components that result in ownership (including "rent-to-buy" options)

The elements and mechanisms provided for below will be used in each component type as indicated.

2. POLICY FRAMEWORK

This Policy has been informed by relevant clauses of the Housing Act, 1997 (Act 107 Of 1997), the amended National Housing Code, the municipality's Integrated Development Plan, the National "Strategy for the allocation of housing opportunities created through the national housing programmes", the "Framework Policy for the Selection of Housing Beneficiaries in owner-based housing projects", approved by the Provincial Minister for Human Settlements in September 2012 and "Municipal Selection Policy Template" developed by the Provincial Department of Human Settlements.

The above prescripts confer certain roles, responsibilities and obligations on the municipality that enables it to fulfil out its Constitutional mandate at the local sphere.

3. OVERALL POLICY PRINCIPLES

The following guiding principles are applicable to the policy:

- Equity:** all persons must have an equal opportunity in applying for housing assistance.
- Transparency:** any person must be able to have reasonable access to the Beneficiary Selection Policy and the process of selecting and ranking database entries for a housing opportunity.
- Functionality:** the policy must be practical and understandable.
- Social cohesion:** the spirit of this policy is to minimise social conflict and optimise development progress.
- Access:** the Beneficiary Selection Policy must be applied to enhance easier access to housing opportunities.
- Integration:** the Beneficiary Selection Policy should be implemented in a manner that promotes integration within the municipality.

4. MUNICIPAL HOUSING DEMAND DATABASE

4.1 Assigning registration dates to new entries on the database

A registration date will be given to each individual who completes the necessary documentation required to be entered onto the database, provided that the individual:

- does not own fixed property in the municipality
- is a minimum of 18 years old
- is a SA citizen or has permanent residence in South Africa

The registration date is the date at which municipality accepts the documentation submitted for registration on the database as being complete. The municipality will communicate the registration date to the individual and provide him/her with documentary proof of that date. The registration date will remain constant until the individual receives an ownership-based housing opportunity.

4.2 Data fields on the database

The municipality will populate at a minimum the following data fields in its database.

4.2.1 For households with one adult in the household core:

- a) Name and ID number of the adult
- b) Registration date
- c) Residential address (according to standardised naming convention operational in the municipality)
- d) Location preference (in terms of project towns recorded on the housing demand database)
- e) The names and ID numbers of all permanently disabled members in the household, where permanent disability is defined and determined by the South African Social Security Agency (SASSA)).
- f) Number of dependents within the household, and their ID numbers.
- g) Whether a current or former farm resident, address of farm and, if so, employer/farmer where applicable and period and dates of residence on the farm
- h) Gross monthly income
- i) Marital status
- j) Whether owns property or not
- k) Whether will apply for a mortgage and a FLISP subsidy

l) Telephone/cell phone contact number

4.2.2 For households with two adults in the household core,

- a) Fields provided in 4.2 c), d), e) f) and k) as specified above applied to the household.
- b) Name and ID number of each of the two adults
- c) Relationship between the two adults
- d) Registration date of the household, which will be i) the earlier of the two adults' registration dates if the municipality already has them separately on record as being registered previously, or ii) if municipality has neither of the adults on record as registered, the date described in 4.1 as applied, or iii) if the municipality already has one them separately on record as registration, that registration date.
- e) Gross monthly income of each of each of the two adults
- f) Joint gross monthly income of the two adults
- g) Whether each of the adults currently or used to be a farm resident, and, if so dates and period of residence on a farm, address of farm, employer/farmer where applicable
- h) Whether each of the adults own property
- i) Landline or cell phone contract number of each adult

4.2.3 Location preference data field

Individuals and households registered on the database may change their town of preference at any time with notice and without any impact on their dates of registration, provided that requests to change the town of preference occur within a format determined by the municipality and within 10 days before the database is used for selection.

4.3 Supporting documentation for registration and updating

The municipality will collect the following documentation during registration and updating.

4.3.1 *Information to check eligibility for the range of subsidy instruments available in National Housing Code*

The following information should be collected: payslips, certified copy of ID book of self, other adult and minor dependents (under age of 18) in the household, marriage certificates

4.3.2 Information to verify claims by individuals/households about selection status

The municipality will make use of the following means of verification to verify claims made by individuals that they have permanent disabilities (refer to section 5.2 below).

Group	Sources of verification
Eligible household with at least one adult having a permanent disability (according to SASSA's definition)	Original or certified copy of permanent disability grant approval and latest review outcome letter from SASSA (not older than 5 years)
Household with an adult caregiver of a permanent disabled minor or financial dependent receiving Care Dependency Grant	Original or certified copy of Care Dependency Grant approval and latest review outcome letter from SASSA (not older than 5 years)

4.3.3 Farm resident

Evidence confirming the farm/s and its/their location/s on which the farm resident is/has been resident and the length of residence will be collected.

Where the resident is a farmworker, the evidence should include a letter from the employer/s indicating the location and length of residence and proof about the length of residence on farm.

The following can be submitted as evidence: *employment contract with date of start of employment, current or last pay slip for the employee, payslip indicating rental charged for accommodation on the farm*

5 APPLICATION OF POLICY

This Policy applies to the selection of beneficiaries for certain state subsidised new housing projects.

A single project site or set of sites can have a number of project components related to different housing delivery programmes. Each of the components will be dealt with differently in terms of the selection of beneficiaries. The Policy covers the following project component types each with its own selection mechanisms:

- a) green-field, non-relocation project components for the R0-3500 household monthly income sector;

- b) relocation project components linked to informal settlement upgrade projects;
- c) institutional and affordable housing project components that result in ownership (including “rent-to-buy” options)

The elements and mechanisms provided for below will be used in each component type as indicated.

5.1 Mechanisms that apply to more than one project component type

The elements and mechanisms provided for below will be used in each component type as indicated.

5.1.1 Balancing of people in overcrowded conditions and informal settlement dwellers across portfolio of projects

For all project components the number of people in formal overcrowded conditions and informal settlement dwellers receiving subsidised housing opportunities will be balanced against each other. The balancing across the two groups will occur over each successive 5-year period linked to the strategic planning cycle and over the portfolio of housing projects planned and executed in the municipality.

The balancing will seek to equalise the relative access each group enjoys to basic, on-site municipal services. To equalise, the distribution opportunities provided over the period across each of the two groups will be in proportion to number of households without access to basic, on-site service within each group. The municipality will determine the level of service threshold for “acceptable access” for people living in formal overcrowded conditions to enable this balancing.

Realistic delivery targets for each of the categories and for the corresponding number and size of project components will be set out in municipal plans (IDP, Human Settlement Plan (HSP)) and reported upon in the corresponding annual and multi-year reports.

5.1.2 Use of the municipal demand database and link between selection and subsidy approval

For the project components where the database is used in selection, except relocation components, only the database entries of the municipal database indicated as eligible for the relevant subsidy instrument based on information on the database will be considered for selection.

The selection status of an entry selected from the database is preliminary until its subsidy application is approved by the Department or appropriate authority. Before submitting subsidy applications for approval the municipal will undertake pre-screening. After pre-screening and before subsidy approval, the list of successfully pre-screened entries will be posted for public comment and the municipality's administration will respond to any queries from the public.

5.1.3 Registration date ordering

Registration date ordering refers to the process whereby all database entries considered eligible for the project component are arranged from the earliest registration date to the latest registration date, and households are selected as beneficiaries in that order.

5.2 Green-field, non-relocation project components

a) General Mechanisms

For each project town, the municipality will define a catchment area. Each project town will have a catchment area which will be clearly defined on a map of the municipality. Catchment areas will be non-overlapping, and two or more towns cannot have the same catchment area. Every area in a municipality will fall within a catchment area.

From its list of project towns, the municipality will designate regional towns.

Regional towns

In a regional town, the municipality will reserve **90%** of the opportunities in the project component for entries which are resident within the catchment area where development take place and indicate a location preference for the catchment area of the project town.

In respect of the remaining **10%** split, preference be given across the other catchment areas in the municipality in proportion to the number of waiting/active entries relevant for the project component in question resident in each of the other catchment areas. Households selected from the other catchment areas must indicate a ***preference to in the particular project within a period of 30 days of receipt of official notice. In instances where selected participants do not accept the offer the opportunity to participate in the project, the housing opportunity be given to the potential beneficiaries from the community in the catchment area where project takes place.***

As far as is practical, quotas referred to in 5.2 b) will be split across catchment areas in proportion to the number of opportunities assigned to each catchment area.

Non-regional towns

In non-regional towns, an extract of the database containing entries resident and indicating a location preference for the catchment area of the project town in question will be considered for selection.

Quotas referred to in 5.2 b) will apply to the extract of the database resident in the catchment area of the project towns for selection in the project component.

Appendix 1 of this Policy contains a list of all project towns and regional towns. Where applicable the suburbs and other settlements identified as residential areas on the database that are considered part a project town are indicated. .

Map 1 indicates the geographic extent of the catchment areas.

b) Age-based prioritisation

Age-based prioritisation is applicable to housing subsidy applicants of green- fields projects for households with head(s) (applicant/ and or spouse/cohabiting partner) are 40 years or older, subject to:

- (a) The particular household head(s) must be registered on the municipal demand database for a minimum period of three years prior to selection.***
- (b) The household head(s) referred to in (a) turn 40 years of age within the calendar year of selection of potential beneficiaries for a particular project.***
- (c) The following exceptions:***
 - (i) A household is selected via the “quota for households affected by permanent disability”***
 - (ii) The household is selected for an Institutional or Finance Linked Individual Subsidy programme (FLISP) subsidy.***
 - (iii) The municipality’s housing demand database no longer contains households head(s) being 40 years or older within the prescribed catchment area that meet the minimum registration period of three years.***
 - (iv) In the case of (c)(iii) above the younger registered household head(s) from the housing demand database applicable to the catchment area should be selected within increments of five years in registration date order. For example 35 to 39 years of age, 30 – 34 years of age until the available opportunities have been filled.***

c) Quotas

Quota for farm residents including farm workers

A quota of 5% preference be given for households who have farmworkers and/or farm residents in the core of the household who are ordinarily resident in the municipal area in all projects, provided that one of the adults in the core:

- has in the past resided or continues to reside on farms outside of the towns but within the municipality for at least 10 years out of the last 13 years
- is 55 years or older

The affected potential beneficiary must indicate in writing to the municipality within a period of 30 (thirty) days of receipt of the official notice that the housing opportunity will not be accepted.

Quota for households containing adults of 60 year and more in the core

A quota of 15% preference be given to households containing at least 1 non-dependent adult of 60 years or older in the core of the household.

The affected potential beneficiary must indicate in writing to the municipality within a period of 30 (thirty) days of receipt of the official notice that the housing opportunity will not be accepted.

Quota for households affected by permanent disability

A quota of 5% preference be granted to households "affected by permanent disability".

The municipality will classify households with the following characteristics as being "households affected by permanent disability":

- i. A household with at least:
 - one adult member (in the core household) having a permanent disability or
 - a financial dependent with a permanent disability

such that he/she receives a permanent disability grant or would receive a permanent disability if his/her income fell within the income threshold for the permanent disability grant. If the adult member is older than the threshold age for the Older Person's Grant and did receive a permanent disability grant before reaching the threshold age for the Older Person's Grant, the household will also fall into category i.

- ii. A household with an adult caregiver of a permanent disabled minor who is in the core of the household or financially dependent on the core and who receives a Care Dependency Grant.

The affected potential beneficiary must indicate in writing to the municipality within a period of 30 (thirty) days of receipt of the official notice that the housing opportunity will not be accepted.

5.3 Relocation project component type

5.3.1 Basic methods for selecting beneficiaries for relocation or remaining in an informal settlement.

Municipalities will use one of five methods or some combination of them for identifying households for either relocation or remaining in an informal settlement which is targeted for upgrade:

- a) ordering according to the duration of residence in the informal settlement;
- b) ordering according to the registration date of households in the informal settlement
- c) selection of households who are affected by permanent disability
- d) ordering according to the age of adults in the core of the household
- e) selection of households according to their relative location to public infrastructure and public facilities planned for informal settlement upgrade

5.3.2 Certain methods used where there is difference in level of service between beneficiaries remaining on site and those relocated

In a relocation situation, where there is a significant time difference between when those households remaining on the upgraded site and those being relocated will receive housing opportunities, or where there is a difference in the level of service for each group, the municipality will try to use methods a), b), or c), d) or some combination of them. Those who have been residing for the longest period in the informal settlement, have the earliest registration dates or are affected by permanent disability and/or have the oldest members will be selected for the most favourable subsidy opportunities within the upgrade project.

5.4 Institutional and affordable housing project component type

5.4.1 The affected potential beneficiary must indicate in writing to the municipality within a period of 30 (thirty) days of receipt of the official notice that the housing opportunity will not be accepted.

Housing institutions and developers making use of government subsidies must be allowed to run their own selection processes provided these processes are reasonable.

5.4.2 Projects open to all qualifying across the municipality

The municipality should ascertain that the selection processes run by housing institutions or developers are adequately understood by the citizens of the municipality and uniformly applied across the municipality by the housing institution or developer. All the citizens in the municipality who meet the housing institution's or developers entry requirements should potentially be able to benefit.

5.4.3 Registration date ordering applied by municipality on developer's list where effective demand is greater than supply

Where the number of the individuals/households meeting the housing institution's or the developer's minimum selection criteria is greater than the number of units supplied in the project component in question, further selection of individuals/households on the housing institution' or developer's list should occur in order of registration date.

6. INSTITUTIONAL ARRANGEMENTS

The responsibilities laid out below pertain to all project component types, except where indicated.

6.1 Council

The Council is responsible for:

- adopting and reviewing, by resolution, the municipality's Selection Policy.
- monitoring the implementation of the Selection Policy.

- determining the selection method for relocation project components
- take cognisance of all potential beneficiaries for the specified project.

6.2 Municipal manager

The Municipal Manager is overall responsible for implementing this Selection Policy.

6.2.1 Director: Community Services

The Director has the following roles:

- Ensuring that the Selection Policy is being implemented in each project component by requesting information from the Manager Housing Administration on how the Selection Policy is being applied in each project component, vetting such information before making a determination.
- Recommending the method for selecting beneficiaries for relocation in relocation project components to the council for decision making.
- Issuing written instructions to the Database Unit about how the Selection Policy will be implemented for each project component.
- Reporting to the Council on a quarterly basis on how selection broadly occurred within the affected housing projects i.e. the number of opportunities in the project, the quotas used, and the number of opportunities within each quota.

6.2.2 Manager Housing Administration

The Manager Housing Administration has the following general roles:

- Generally ensure that all processes required for selection in the project component as laid out in policy occur.
- Make recommendations to the relevant Director on how the Selection Policy should be implemented in the project component
- Submit other information about the project to the relevant Director for Housing as deemed necessary by the latter to enable decision-making.
- Establish the Project Steering Committee/ Social Compact, where applicable.
- With his/her support staff, manage the process of public comment on preliminary lists (refer to 6.4), deal with queries of the public directed toward him/her, where possible by referring any queries to the appropriate officials, and informing members of the public about the responses.
- Inform the relevant Director about subsidy recipient to enable the Director to keep track of the status of entries on the database, inter alia, the names of the adults in the household core, the Erf number and handover date should be provided.

In institutional and affordable housing project components, the Manager Housing Administration will manage the process of providing lists of possible beneficiaries to housing institutions/developers and/or ordering applicants according to date of registration on the municipal database should the housing institution or the developer require this. Should registration date ordering be required, the institution or developer will submit the names and ID numbers of the individuals or households on its list to the Manager Housing Administration for ordering according to registration date and receive the list back from the Manager Housing Administration.

6.2.3 Project Steering Committee/Social Compact

The Steering Committee/Social Compact will not be involved in the selection of beneficiaries in relocation project components. For relocation project components, the Steering Committee will develop recommendations for how selection within the relocation project will occur, and submit these to the Manager Housing who will in turn make a recommendation to the relevant Director.

The Steering Committee/Social Compact will be elected at a public meeting called by the municipality and will comprise representatives from the following stakeholders:

- Officials from the municipality including the Manager Housing Administration or the official delegated for the project concerned.
- Representatives from communities in the vicinity of the project site.
- Councillors, both ward and proportional representation councillors.
- Project consultants.

6.2.4 Database Administration

. The role of Housing Administration is to:

- Process forms from individuals and households for entry onto the database
- Verify and update information (refer to sections 4.2 and 4.3).
- Store the information contained on the forms securely.
- Apply the Selection Policy to the database to select beneficiaries for the project. Answer formal queries in writing about any preliminary selection lists.
- Keep track of the status of entries on the database, including whether and when database entries have received a subsidy, and the location of the subsidy property.
- Preserve and file all preliminary lists, before and after pre-screening, and all written instructions from the relevant Director about how entries should be drawn from the database for a particular project (and project component).

6.3 Contractor or implementing agents

Contractors or implementing agents will play no role in the selection, except, at the request of the municipality, to contact individuals or households who have been selected in any primary selection process.

6.4 Channel for queries about preliminary selection

After the municipality has undertaken pre-screening of the preliminary list and before the submission of the successful entries on the list to the Department for approval, the municipality will post the list for public comment. The details of selected beneficiaries must also appear on the Provincial Department of Human Settlement's Housing Demand Database.

The list will be posted for a period of 2 weeks. The municipality will have 3 weeks to respond to the queries raised by the public.

6.5 Communication of the Policy

The municipality will communicate the Selection Policy to the residents of the municipality at least once per year via Council resolution. Each housing office will display information explaining the policy. The full policy will be available on request for reading in all municipal buildings. The responsibilities of the residents to register and update information will be explained.

Annexure 1 – Project Towns, associated suburbs and settlements, and regional towns

Project Town	Regional town or non-regional town	Catchment areas
Hermanus	Regional town	Zwelihle; Hawston; Mount Pleasant; (including surrounding farms)
Gansbaai	Regional town	Gansbaai area (including surrounding farms)
Kleinmond	Regional town	Kleinmond area (including surrounding farms)
Stanford	Non-regional town	Stanford (including surrounding farms)

Map 1 - Extent of catchment areas

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