



EMALAHLENI LOCAL MUNICIPALITY

**HOUSING OPPORTUNITIES ALLOCATION
POLICY**

DRAFT

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1. DEFINITIONS

In this policy –

“Emalahleni Local Municipality” means, a municipality established by the in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), or any structure or employee of the municipality acting in terms of delegated authority;

“Department of Human Settlements” refers to the Human Settlements Department of Emalahleni Local Municipality which manages the human settlements programmes in Emalahleni.

“Aged Person” mean a person who is 60 years and older in terms of the South African Social Services Social Grants directives.

“Dependant” means a person who relies on a beneficiary for financial support.

“Family Member” means the owner, a relative of a tenant, or a relative of the owner/tenant’s spouse or partner, such as a child, grandchild, mother, father, brother or sister.

“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.

“National Housing Programmes” means the range of housing programmes provided for in the National Housing Code, 2009;

“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.

“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;

“Greenfield Projects” mean a new project on an undeveloped land on which there are no pre-existing legal occupants, and for which the municipality has discretion to select beneficiaries, provided they are eligible for government subsidy.

“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).

“Lease Agreement” means the legal agreement between the lessor (Emalahleni Local Municipality) and the lessee (tenant renting the property).

“The National Housing Code, 2009” 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” (NHNR) means the housing database managed by the National Department of Human Settlements which contains 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 who have registered a need for a housing opportunity;

“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.
- e) Child Headed Households that have no adult carers available and children live on their own;

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

“National Qualifying Criteria” means the criteria as set out in the National Housing Code, 2009 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, 2009;

“Gap Market” all housing opportunities created and promoted by government, in partnership with the private sector, for first-time South African home owners earning a combined monthly income of between R 3 501 and R 22 000 as governed by the First Home Finance Programme.

“Public Record” means a record that is accessible in the public domain and which is in the possession of, or under the control of a public body, whether or not it was created by the public body in terms of the POPI Act, 2013.

“Special Needs Category” refers to individuals who are disabled, aged, child-headed households and military veterans.

“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 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;

“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;

“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 for a particular housing project as approved by the Council;

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

“Displaced persons” refers to persons who resided in hostels or informal settlements within Emalahleni who were displaced due to upgrades to hostels or informal settlements they resided in which;

“Emergency Housing” refers to the national housing programme within the National Housing Code that applies to emergency housing situations. The Programme addresses 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;

“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 Municipality;

“Exceptional Housing Need sub-category” means cases that are brought to the attention of the municipality 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); Street people who constitute a family and who have successfully been rehabilitated; and are assessed by the Housing Allocation Committee for priority housing allocation against predetermined criteria.

“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;

“Community Residential Unit” means existing, new, redeveloped and refurbished government-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, 2009;

“Social Housing” means rental housing constructed and managed by the municipality’s social housing partners in terms of the Social Housing Act, 2008 (Act No. 16 of 2008). The Social Housing allocation focuses on households earning between R1 850 - R22 000 per month;

“Serviced Site” refers to a plot or site demarcated in a General Plan with individual municipal services;

“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;

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

“Upgrading of Informal Settlements Programme (UISP) refers to the National housing programme for the upgrading of informal settlements by means of in-situ upgrading, de-densification and/or relocation.

2. ABBREVIATIONS AND ACRONYMS

NDoHS	National Department of Human Settlements
PDoHS	Provincial Department of Human Settlements
ELM	Emalahleni Local Municipality
BNG	Breaking New Ground
CRU	Community Residential Unit
DSD	Department of Social Development
HSS	Housing Subsidy System
MEC	Member of the Executive Council
MMC	Member of the Mayoral Committee
NHNR	National Housing Needs Register
POPIA	Protection of Personal Information Act
SASSA	South African Social Security Agency
SHI	Social Housing Institution

3. INTRODUCTION

The provision of housing opportunities and allocation of houses continues to be a cause for concern in the Emalahleni Local Municipality. This is asserted from the point of view that the National Housing Programs for the public are a key element in addressing the housing needs and backlogs of Emalahleni. Hence, the selection and allocation of beneficiaries for state subsidised housing opportunities is the responsibility of the municipality.

The current municipal housing allocation system targets the poor who, without the government housing subsidy, would be without homes. It is, therefore, through the housing allocation process that access to housing for the vulnerable / poor, or indigent groups (low income groups), is facilitated by the municipality.

On the other hand, the current municipal allocation process does not distinctly make provision for a range of housing opportunities which cut across all income groups that fall within the low-to-middle-to high income thresholds, and who do not qualify for a full government subsidy, for example, "The Gap Market".

Therefore, to ensure that a transparent and equitable process is followed in this regard, the municipality developed a housing allocation policy in 2008. The Policy was last reviewed in 2013 and is currently outdated. It is for this reason, therefore, that the Housing Allocation Policy is being reviewed, and to further align it to the recently developed Provincial Framework, "*The Provincial Beneficiary Management and Housing Allocation Framework*". The Provincial Department of Human Settlements requires municipalities to align their housing allocation processes to the Framework, over and above the alignment to the National Department of Human Settlements policies.

4. PROBLEM STATEMENT

The demand for affordable housing opportunities surpasses the supply to people in need for such in Emalahleni. The housing delivery backlogs remain Emalahleni Local Municipality's greatest challenge in terms of the National Housing Needs Register (NHNR). Therefore, the housing allocation process becomes one of the key components in the housing provision value chain in the reduction of the housing backlog for Emalahleni.

On the other hand, the allocation process for government subsidized houses (RDPs) has been barred with lack of transparency, alleged corruption, outdated beneficiary information and "queue jumping". Regarding the municipal rental housing stock, the subletting of rental stock by so called landlords has had a demise effect on the allocation process of the municipality.

The ever persistent illegal occupation of land has also contributed largely, to the backlog challenges faced by the municipality, wherein, currently, there are approximately 30 870 informal structures within the municipal area, clustered into a total of 72 informal settlements (Housing Development Plan, 2017). People invade land with the notion that they will be prioritized for housing

opportunities and for the provision of services, (“queue jumping”). Furthermore, there is a significant growth in this number year-on-year due to accelerated urbanization and natural growth, compared to human settlements development in urban areas. Unemployment and poverty have caused people to move to Emalahleni in large numbers in search for better economic opportunities.

Emalahleni Municipality, being a mining town, is also experiencing challenges of lack of serviceable land due to the mining activities taking place in Emalahleni, Ga-Nala, Phola and Ogies, taking up land that is earmarked for human settlements growth and development.

Whilst intensive focus is put on responding to the increased demand for housing opportunities against the severely slow supply for those in need, and the unavailability of serviced land for human settlements development, there needs to be a clear, fair, and transparent process to allocate all available housing opportunities to the deserving and qualifying beneficiaries in Emalahleni.

5. THE LEGISLATIVE FRAMEWORK

The following legislation and policy inform the guiding principles and implementation of this policy:

- 5.1 The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996);
- 5.2 Housing Act, 1997 (Act 107 of 1997);
- 5.3 Development Facilitation Act, 1995 (Act 67 of 1995)
- 5.4 Municipal Systems Act, 2000 (Act 32 of 2000)
- 5.5 Municipal Structures Act, 1998 (Act 1A of 1998)
- 5.6 National Housing Code, 2009
- 5.7 Breaking New Ground: “A Comprehensive Plan for the Creation of Sustainable Human Settlements”.
- 5.8 Strategy for the Allocation of Housing Opportunities Created through National Housing Programmes.
- 5.9 The Provincial Beneficiary Management and Housing Allocation Framework.

6. OBJECTIVES OF THE POLICY

The main objectives of this Policy are:

- 6.1 To formulate a comprehensive Allocation Policy that prioritise the poor disadvantaged groups, and special needs categories in the Emalahleni Local Municipality area of jurisdiction;
- 6.2 To set out criteria, processes and procedures for the selection of qualifying beneficiaries through a fair, transparent, and equitable allocation process;
- 6.3 To prescribe a clear allocation principle to ensure a more precise allocation process;
- 6.4 To regulate informal settlements by addressing the following:

- (i) manage, contain, and prevent land invasions and the spread of informal settlements. Council will not tolerate the illegal occupation of land within its area of jurisdiction; and
- (ii) plan sustainable human settlements through the rapid release of land for development.

7. POLICY PRINCIPLES

The following principles guide the Allocation Policy: Human Settlements Opportunities:

- 7.1 **Pro-poor:** Initiatives aimed at ensuring that the circumstances of Emalahleni's most indigent and vulnerable people are proactively addressed.
- 7.2 **Redress:** the active engagement in addressing the legacy of unequal development in Emalahleni which has resulted in dire living environments of people residing in inhumane circumstances; and those facing unlawful evictions from landlords and informal structures.
- 7.3 **Fairness:** all persons to be treated impartially and just, without favouritism or discrimination during the application and allocation process.
- 7.4 **First-Come-First-Serve:** establishment of a queuing system where qualifying applicants are ranked based on their order of registration on the National Housing Needs Register (NHNR), considering the year, month, and day in which they were registered.
- 7.5 **Equity:** all persons have equal opportunity to apply for available housing opportunities in terms of the National Housing Subsidy Programmes.
- 7.6 **Transparency:** ensure that all processes are clear and any person has reasonable access to the processes followed to be selected and ranked for available housing opportunities.
- 7.7 **Administrative Independence:** no councillor or official may be involved in any allocation process or make any commitment on behalf of the Emalahleni Local Municipality except for the Human Settlements Allocation Committee.
- 7.8 **Integration:** this policy is implemented in a manner that promotes collaboration, social cohesion and integration in Emalahleni.
- 7.9 **Right of first refusal:** where a beneficiary who is next in line is unable or unwilling to accept the offer of a housing opportunity, such a person shall advise the ELM in writing. The housing opportunity will be allocated to the next beneficiary in line. The beneficiary will be re-instilled without prejudicing their position.

8. SCOPE AND APPLICATION OF THE POLICY

- 8.1 This Policy is applicable to categories of housing opportunities developed, managed, and facilitated by the Emalahleni Local

Municipality, in collaboration with the Provincial Department of Human Settlements, and any development by any other statutory body or a private developer where state funds are used within the geographic boundaries of Emalahleni.

- 8.2 The following human settlements programmes developed through the National Housing Code, 2009, will be applicable for this Policy:
- (i) The Integrated Residential Development Programme (IRDP);
 - (ii) The Upgrading of Informal Settlements Programme (UISP);
 - (iii) The Social Housing Programme;
 - (iv) Community Residential Units Programme; and
 - (v) First Home Finance Programme (formally, Finance Linked Housing Subsidy - FLISP).
- 8.3 The Policy will apply to all applicants that require government assistance who fall within the qualifying criteria as set out on Section 7 of the National Housing Code, 2009. Beneficiaries must comply with the application process in order to benefit from a housing opportunity. (The process is outlined in the Allocation Standard Operating Procedure).

9. HOUSING DELIVERY PROGRAMMES

- 9.1 **Integrated Residential Development Programme (IRDP):** This Programme replaces the Project Linked Subsidy Programme. The Programme provides for planning and development of integrated housing projects. Projects can be planned and developed in phases, providing for a holistic development orientation.
- 9.2 **Upgrading of Informal Settlements Programme (UISP):** The programme facilitates the structured upgrading of informal settlements. It applies to in situ upgrading of informal settlements as well as where communities are to be relocated for a variety of reasons. The programme entails extensive community consultation and participation, emergency basic services provision, permanent services provision and security of tenure.
- 9.3 **Social Housing Programme:** This Programme provides for affordable rental units with secure tenure to households who prefer the mobility provided by rental accommodation for low and upper income market (R1 850 - R22 000), with the primary objective of urban restructuring, creating sustainable human settlements. The Programme provide for grant funding to establish, capacitate and capitalize social housing institutions which may develop, hold, and administer affordable rental units within identified restructuring zones.
- 9.4 **Community Residential Units (CRU):** The CRU programme aims to facilitate the provision of secure tenure, stable rental tenure for lower income persons / households. The housing stock funded through the CRU Programme should remain in public ownership and cannot be sold or transferred to individual residents.

- 9.5 **First Home Finance Programme (FHF):** Formerly known as FLISP, First Home Finance is a once-off housing finance subsidy enables qualifying beneficiaries to buy or build their first homes on affordable basis, enabling sustainable and affordable first-time home-ownership opportunities to qualifying beneficiaries whose household income is from R3 501 up to R22 000 per month (the 'affordable' or 'gap' market).
- 9.6 **Temporary Emergency Accommodation:** The policy addresses circumstances where affected households have suffered an emergency, disaster, eviction or crisis, leaving such households homeless and destitute. It provides temporary relief to all households in a state of exceptional housing need. Households or individuals living in unsafe conditions or rendered homeless are assisted through the provision of secure access to land, infrastructure services and shelter.

10. THE ALLOCATION POLICY

The implementation of this policy requires interventions and partnerships between the Emalaheni Local Municipality, several entities in the National/Provincial Departments of Human Settlements and private bodies.

10.1 Roles and Responsibilities

10.1.1 The National Department of Human Settlements (NDoHS)

10.1.1.1 The National Department of Human Settlements is the custodian of all human settlements policies in South Africa. All policies should therefore, be aligned to the the NDoHS policies, but also taking into consideration, the local circumstances.

10.1.1.2 The NDoHS is further responsible for the management of the Housing Subsidy System (HSS), and the National Housing Needs Register (NHNR).

10.1.1.3 The NDoHS may, as and when deemed fit, appoint external auditors to investigate allocation processes, to ensure that there was compliance with the selection criteria and the application of the screening processes. Once correctness of the allocation process has been established, the appointed auditors will then return the application forms to the committee for further processing.

10.1.2 The Provincial Department of Human Settlements (PDoHS)

10.1.2.1 The PDoHS will form part of the Municipal Allocation Committee that shall be established;

10.1.2.2 Once the Allocation Committee has made the selection and the application forms have been captured by the Municipality, the PDoHS will:

- Upload the application forms on the HSS for the verification process;
- Further Process applications for approval and subsidy allocation;
- Return rejected applications to the Emalahleni Local Municipality for correction, etc.;

10.1.2.3 Provide the ELM with the necessary support required.

10.1.3 The Emalahleni Local Municipality (ELM)

- 10.1.3.1 The Emalahleni Local Municipality will be the custodian and implementing agent of this Policy.
- 10.1.3.2 ELM shall ensure adherence and compliance to the Policy.
- 10.1.3.3 Drawing targeted selections of prospective beneficiaries for housing opportunities.
- 10.1.3.4 Receive completed application forms of the selected beneficiaries and record the applications received.
- 10.1.3.5 Verify the applications against the selection made.
- 10.1.3.6 Evaluate the applications for compliance with the qualification criteria and process them.
- 10.1.3.7 Submit the applications found to be in order to the Provincial Department of Human Settlements for verification, consideration and subsidy approval.
- 10.1.3.8 Receive the approved applications and reconcile such with the National Housing Demand Database.
- 10.1.3.9 Inform beneficiaries of the approval of subsidy applications.

10.2 Housing Allocation Committee

10.2.1 Establishment of the Housing Allocation Committee

The Human Settlements Department will establish a joint Human Settlements Allocation Committee which is in line with the with the Provincial Framework.

10.2.2 The Housing Allocation Committee shall be composed as follows:

- a) Three senior officials/ employees of the Municipality;
- b) Two officials of the Provincial Department of Human Settlements dealing with beneficiary management matters.

10.2.3 The Officials in the Committee shall be:

- a) Manager: Human Settlements (Chairperson);
- b) Assistant Manager: Beneficiary Administration (Secretariat);

- c) Human Settlements Official responsible for Housing Subsidy System;
- d) Beneficiary Manager: Mpumalanga Provincial Department of Human Settlements;
- e) Housing Subsidy Scheme Manager: Mpumalanga Provincial Department of Human Settlements.

10.2.4 Functions of the Committee:

- a) Set out the allocation criteria in line with policies and priorities.
- b) Administer all selection, verification and allocation processes within the framework of applicable legislation and policies;
- c) Will administer all selection and allocation processes in terms of the legislative provisions.
- d) The Allocation Committee will preside over the allocation of housing opportunities and must monitor general outcomes.
- e) The Allocations Committee will also preside over the development of any approved quota systems that may be applied to the categories of prioritisation for a particular housing project.
- f) Recommend allocation lists for projects to the Emalahleni Local Municipality.
- g) Once the Allocations committee has ratified the decision on the final list of potential beneficiaries, such lists must serve before Council for approval by the Emalahleni Council.
- h) Submit applications for consideration by PDHS and obtain the required subsidy application approval.
- i) Inform the applicant with a receipt confirming the success of the application.
- j) Ensure that the correct beneficiary is allocated the correct house.
- k) Hand over the house, facilitate the signing of "Happy Letters".
- l) Hand over Title Deeds.

10.2.4 Roles and responsibilities of the Members of the Allocation Policy

- a) The Manager: Human Settlements (Chairperson of the Allocation Committee) will be responsible for ensuring adherence to the provisions of the Allocation Policy, and may delegate a Senior Human Settlements Officer to manage a project at a given time. The Senior Officer will communicate with beneficiaries regarding the outcome of applications and handover completed houses to the approved beneficiaries;
- b) Beneficiary Manager: Provincial Department of Human Settlements:
 - i. Verification of the final beneficiary subsidy applications submitted for approval.
 - ii. Informing the Allocation Committee of the approval of the subsidy applications.
- c) Assistant Manager: (Municipality) will be perform secretariat functions, coordinating meetings, recording minutes and ensuring record of all other activities of the Allocation Committee.

10.2.5 Operational Agreements of the Housing Allocation Committee

- a) Quorum:
 - Quorum will comprise of at least 4 committee members
- b) Meeting Arrangements:
 - the Allocations Committee meetings will be directed by the project process and progress.
 - The frequency of the meetings of the Committee will be managed by the Chairperson as required by the development progress and completion of houses/opportunities.
 - The meeting location can be agreed upon by the committee.
 - The Chairperson shall ensure that declaration forms are signed at the end of the meeting, where there might be any conflict of interest with the recommended beneficiaries.
 - The Chairperson to ensure the signing of confidentiality clause and adhere to at all times.

c) The Secretariat:

- The secretariat function will be fulfilled by the Municipality.
- All proceedings and decisions of the Committee must be recorded and preserved for auditing purposes.

10.3 The Policy caters for the following categories:

- (i) Individuals seeking assistance and are registered on the NHNR;
- (ii) Relocation of households settled on informal settlements that are not suitable for development or human habitation;
- (iii) Families affected by formalisation of informal settlements, for example, people sharing stands or are found to be in the way of services and road reserves, who cannot be accommodated in the settlement being formalised.
- (iv) Backyard dwellers;
- (v) Overcrowded/multiple family accommodation; and
- (vi) Farm dwellers.

10.4 Applicants

Any person who needs a housing opportunity is required to register their housing needs on the NHNR through the Human Settlements Department of the Municipality, take responsibility to ensure the correctness of information, and update information should such information change. It is vital that an applicant who register on the NHNR ensures that they are contactable by updating their contact details if and when they change.

10.5 National Qualification Criteria for Housing Opportunities

The qualifying criteria will be in line with the National Housing Code, 2009, (the Code) and will be reviewed in line with subsequent amendments to the Code. In terms of the Code, in order to be eligible for a housing subsidy the applicant must:

- (i) Be a South African citizen: Lawfully reside in South Africa, as a citizen of the Republic of South Africa or in possession of a permanent residence permit;
- (ii) Be single and have financial dependants;
- (iii) Be legally competent to contract i.e. 18 years of age; legally married or divorced; single with dependants and of a sound mind;
- (iv) Be married with financial dependents: the applicant must be married (in terms of civil law or customary union) or cohabitated with a partner, or single and has proven financial dependents;

- (v) Earn a monthly income not exceeding R 3 501 per month for IRDP Programme, and R 22 000 per month for the First Home Finance Programme;
- (vi) Be not have previously benefited from government housing assistance directly or indirectly through a spouse or partner;
- (vii) Be a first-time home owner: the applicant is acquiring property for the first time, and does not have fixed residential property except in the case of relocation assistance or where property is acquired through the Land Restitution Programme;
- (viii) Special needs categories such as disabled and aged (as defined by the Department of Social Development DSD), child-headed households and military veterans (in terms of the Military veterans Act, Act 18 of 2011);
- (ix) Single Military Veterans without financial dependant;
- (x) Single aged persons without financial dependant;
- (xi) The criteria for the Social Housing Programmes: Beneficiary should be 18 years and older, earning between R1 850 and R 22 000, married or living with a partner or divorced and single;
- (xii) Certified copies of the relevant documentation must be submitted with the application.

10.6 SELECTION CRITERIA

Registration on The National Housing Needs Register (NHNR)

- (i) The primary source for the selection of names of persons to be approached to apply for a housing subsidy or a serviced stand will be the Emalahleni Housing Needs Register which is maintained by the National Department of Human Settlements;
- (ii) The Emalahleni Housing Needs Register is integrated into a single electronic system as and when applications are received and captured into the system.
- (iii) Registration of new applicants into the Municipal Housing Needs Register will be an ongoing process open throughout the year.
- (iv) Applicants must exhibit proof of having resided in Emalahleni local Municipal area for at least two years. The onus / responsibility for doing so lies with the applicant.

10.7 ALLOCATION OF HOUSING OPPORTUNITIES WITHIN SPECIFIC HOUSING DEVELOPMENT PROJECTS.

10.7.1 New Greenfield Development in terms of the Integrated Residential Development Programme (IRDP): Greenfield and mixed developments cater for:

- (i) The relocation of households from undevelopable informal settlements and those affected by formalisation;

- (ii) those residing in overcrowded / multiple family accommodation;
- (iii) Backyard dwellers;
- (iv) Hostel dwellers;
- (v) Individuals registered on the National Housing Needs Register that seek assistance for accommodation;
- (vi) Persons who do not qualify for housing subsidies: The IRDP projects also provide access to housing opportunities to persons that do not satisfy the Housing Subsidy Scheme qualification criteria. The following may be applicable regarding the allocation of residential stands to such:
 - a) Persons who have benefited from State financed housing schemes in the past, but who are not the owners of residential properties at the date of selection of names: These persons should be awarded an opportunity to buy vacant serviced stand at input cost. No further housing assistance will be provided;
 - b) Households falling within the "Gap Market", are first time home owners, and whose income exceed R3 500, 00 per month but is less than R22 000, 00 per month: Such persons should be awarded the opportunity to purchase a vacant serviced stand at input cost and apply for a subsidy available under the First Home Finance Subsidy Programme (formerly, FLISP). To solicit applications for these properties, the MEC will invite applications through public advertisements and / or in collaboration with the Municipality, and consider the applications on a 'first come first serve basis', and may apply the **priority criteria** where such need exists and is regarded feasible.
 - c) These persons may also apply for rental accommodation in Social Housing Projects
- (vii) Households whose income exceeds R22 000 per month:
 - a) Such persons should be awarded an opportunity to buy a vacant serviced stand at the current market value of the property.
 - b) The person may also apply for rental accommodation managed by a social housing institution where stock for non-qualifying beneficiaries is available.
- (viii) Single persons with no financial dependents:
 - a) These applicants should also be awarded an opportunity to apply to purchase vacant serviced stands. Such an applicant will not qualify for a housing subsidy until such time as he/ she satisfy the criteria

pertaining to being married or having financial dependents

- b) Such a person may also apply for rental accommodation in Social Housing Projects.

(ix) **Priority:**

Unless otherwise stated, the selection of names of persons who will be approached to complete housing application forms where new houses will become available will primarily be directed by the following level of prioritization:

- (a) **The first level priority:** will be people classified as vulnerable groups / special needs category such as, the aged, people living with disabilities, and child headed households;
- (b) **The second level priority:** will be the backyard dwellers and multiple family accommodation. Priority will be determined by the date on which the application form for registration on the Housing Needs Register was officially received. This means that the principle of 'first come first serve' will apply;
- (c) **The third level priority:** Beneficiaries approved in previous projects but did not benefit due to blocked / abandoned projects etc;
- (d) **The fourth level priority:** Special cases with exceptional housing needs and those referred by the Department of Social Development (subject to further investigation and verification);
- (e) **The fifth level priority:** Relocation of displaced families affected by the processes of municipal developments (e.g. formalization/upgrading of informal settlements); and relocation of informal settlements identified for relocations in terms of the Emalahleni Municipality Informal Settlements Upgrading Policy and Strategy;
- (f) **The sixth level priority:** Military Veterans; and
- (g) **The seventh level priority:** people affected by evictions.

10.8 The Formalization of Informal Settlements

Policy Intent:

To guide the process to be followed in the allocation of serviced stands located within an Upgrading of Informal Settlements Programme project (UISP) in the Emalahleni Local Municipality. The upgrades cater for inhabitants living in that specific informal settlement, if the individual qualify for the housing opportunity as per the qualifying criteria as outlined in this Policy.

(i) **Priority:**

- a) Settlements that are earmarked for in-situ upgrading shall provide stands to the inhabitants of such informal settlements in line with the qualifying criteria in this Policy;
- b) The particulars of all persons shall be captured in the National Housing Needs Register.
- c) Persons who qualify for government subsidized houses shall be assisted to apply for such;
- d) Persons who do not qualify for government subsidised housing assistance shall be provided with a serviced stand in terms of the qualifying criteria above.
- e) Inhabitants who dwell on inhabitable land, which is state land or privately owned or unsuitable for human settlement development shall be eligible for relocation in terms of the **fifth level criterion** above.

(ii) Registration of Inhabitants

All the needs of the inhabitants for housing opportunities shall be recorded at the project initiation stages and the project shall be designed for the specific needs of the individuals in these areas.

(iii) Vacant serviced stands created through the UISP

- a) Where UISP projects yield surplus stands, persons not from the targeted settlement, and who have registered their needs on the National Housing Needs Register, may be accommodated in same.
- b) The same allocation process for such persons as applicable to the IRDP projects must be followed.

(iv) Relocation of Beneficiaries

- (a) In cases where relocation of affected beneficiaries is unavoidable, qualifying beneficiaries should be relocated to a site as close as possible to the existing settlement (principle of minimum disruption applies).
- (b) A relocation strategy shall be developed in consultation, collaboration, and agreement with all affected stakeholders.
- (c) In cases where there is a need to relocate households in an urgent basis to provide access to areas for the provision of municipal services, the Municipal Human Settlements Department shall apply for emergency housing assistance to the Mpumalanga Provincial Department of Human Settlements (MPDoHS), for approval by the Member of the Executive Committee (MEC).

(v) Relocation Guidelines

- a) Inhabitants of informal settlements who are earmarked for relocation, and who qualify for housing opportunities in terms of the policy will be allocated a government subsidised house or a serviced stand in relocation projects.
- b) The total number of households in an informal settlement earmarked for relocation must be identified, quantified and verified to inform the relocation plan.
- c) Those households in informal settlements who do not meet the national qualifying criteria for a subsidised house will be referred to other programmes available in Emalahleni.
- d) The housing needs of non-qualifiers that are not law-full residents of South Africa or do not have proper documentation will not be assisted and will be referred to the Department of Home Affairs.

10.9 Social Housing

- (i) Social Housing refers to rental housing constructed and managed by Social Housing Institutions and partners in terms of the Social Housing Act, Act 16 of 2008.
- (ii) The main objective of the Social Housing Programme is to provide capital to housing institutions for the provision of affordable rental housing to South African citizens with a combined income of between R 1 850 - R 22 000 who earn too much to qualify for a government subsidised house, yet do not earn enough to qualify for a bond or mortgage.
- (iii) Housing Institutions appointed to manage the social housing rental stock will use own allocation criteria. They will be responsible for maintaining their own list and drawing from it when units become available.
- (iv) Council shall create an enabling environment for the delivery rental housing through social housing institutions.
- (v) Council shall not interfere in allocation procedures and policies adopted by individual institutions. Where Council contributes financially or otherwise, it will receive a pro-rata share of the units in return, which must be reflected in a contract.
- (vi) Council shall release appropriate parcels of land to social housing institutions for social housing projects to encourage higher density and well-located housing development.
- (vii) All institutions applying for Council support shall be treated equally.

10.10 Community Residential Units (CRU)

- (i) The Emalahleni Local Municipality is the custodian of all CRUs and hostel facilities in the city.

- (ii) The units remain rental and are meant to accommodate beneficiaries whose joint household income is between R1 500 – R3 500.
- (iii) A lease agreement for a maximum of two years must be entered into prior to occupation, where after the agreement and circumstances should be reviewed on the two-year basis to determine if the need is still the same.
- (iv) The beneficiary (Lessee) shall renew the lease agreement at least three months before the expiry date.
- (v) No illegal transfer of tenancy to friends, family etc. will be allowed. Such tenants will be instructed to vacate the unit.

10.11 Business and commercial stands (“Breaking New Ground Projects” – BNG):

These stands should be sold in terms of the Council Land Alienation Policy.

10.12 Institutional stands (BNG)

Stands developed for specific institutional use must be sold in terms of the Council Land Alienation Policy;

10.13 Stands earmarked for ‘not for profit’ organizations (BNG)

Stands earmarked for ‘not for profit’ organizations such as churches, must be sold in terms of the Council Land Alienation Policy

11. Monitoring and Evaluation

The Committee will prepare and submit monthly reports to the Executive Director: Development Planning and the Municipal Manager regarding allocations executed with full details of beneficiaries for monitoring and reporting purposes.

12. Deviations/Breaches

No deviation from this policy is permitted unless the deviation is approved by a resolution of Council.

13. Queries, Objections and Appeals.

An applicant may query or object to their exclusion from selection for a housing project on the following grounds:

- (i) Due process as contemplated in this policy has not been followed, or on providing proof of an earlier date of registration.
- (ii) The appeal must be directed to the Municipal Manager in terms of Section 62 of the Municipal systems Act.
- (iii) The appeal will serve at the Allocation Committee: Housing Opportunities, and the Municipal Manager will be informed regarding the outcome.

14. The Human Settlements Allocation Oversight Committee

The Section 79 Committee will be the political committee which will monitor the implementation of / and compliance to the policy.

15. Policy Review

This policy shall be reviewed and amended from time to time as and when circumstances change.