



**KOUGA LOCAL MUNICIPALITY  
HOUSING ALLOCATION POLICY**

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| <b>TITLE OF POLICY</b> | <b>HOUSING ALLOCATION POLICY</b>           |
| <b>POLICY OWNER</b>    | Director: Planning Development and Tourism |
| <b>POLICY CHAMPION</b> | Manager: Human Settlements<br><br><hr/>    |

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## 1. DEFINITIONS

In this Policy, the following words shall, unless otherwise stated or inconsistent with the context in which they appear, bear the following meanings:

**Affordable Housing Component-** A project component aimed at providing subsidised housing opportunities to the households with income ranging from R3501 to the upper household income threshold of the Finance Linked Individual Subsidy Programme (FLISP)

**'Approved Beneficiary'** – A beneficiary whose application for a housing subsidy has been approved by the Provincial Department of Human Settlements.

**Aged** - meaning any person / household who receives and qualifies for a state pension (60 years and older).

**Basic municipal engineering services** – limited to water services, sanitation services, refuse removal, access roads and open lined storm water systems provided on a share base in a dense settlement pattern.

**Beneficiary** – Member of the public who has completed a registration for assistance to acquire a house from the variety of housing options available through the National Housing Programmes, and whose details have been captured on the National Housing Needs Register.

**Capacity to contract-** means that the person must be 18 years of age or older, and be mentally sound.

**Project area-** The geographic area surrounding a town designated by the municipality for a project (e.g. farms surrounding the area)

**Core Household-** The minimum sized household eligible for a housing subsidy as prescribed by the national Housing Code.

**Disabled** – member of a household who receives a permanent disability grant from SASSA until the person reached the old aged grant (pensionable age of 60).

**Financial dependent** – Minor biological children, adopted children, foster children, children 18 years and over who are studying AND financially dependent, biological parents and grandparents, parents and grandparents in-law, siblings under 18, siblings 18 and over who are financially dependent, extended family members who are financially dependent ( Nation Housing Code ).

**Greenfield 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 a housing subsidy

**Guardian-** Any person legally appointed by a Court of Law or on recommendation by the Social Welfare Department to be the guardian for minor children left in occupation of the property.

**Housing Allocation** – Allocation of a new state subsidised house to a specific applicant who has met the selection criteria.

**Household income-** means the gross income of the prospective tenant and his/her spouse.

**Household members-** any person other than children and grandchildren who formed part of the family when the tenancy commenced or was subsequently registered as household members by having been born, legally adopted or fostered into the family. This includes brothers, sisters, nephews, nieces, cousins, grandchildren, uncles, aunts and friends.

**Housing Demand Database (the Database)** – The Housing Demand Database is the Municipality's integrated housing database comprising the consolidation of all the legacy waiting list or housing database and lists of the different areas and towns within the Municipality.

**Housing Opportunities** – Housing opportunities include the full spectrum of opportunities available in terms of the Integrated Residential Development Programme and includes the allocation of serviced stands to households that do not qualify for housing subsidies.

**Housing Projects** – Housing projects undertaken by the Municipality in terms of the National Housing Programmes (UISP, IRDP, Social Housing, FLISP, EHP).

**Housing Waiting List** – Housing Waiting List are subsets of Housing Databases.

**Integrated Residential Development Programme** – A National Housing Programme based on an area- wide development orientation and the de-linking of subsidy beneficiaries from project process.

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

**Meaningful Engagement** – Affected communities/individuals must be engaged in relation to the impending removal, in order to ensure that all relevant personal circumstances are taken into account in the process.

**Municipality**- Kouga Municipality

**Policy** – The policy set out in this document, as amended from time to time.

**Prescribe form** – The application form/affidavit attached to this Policy for emergency housing assistance.

**Professionally Declared** – The professional opinion and recommendation of a consultant who specialize in that field of expertise.

**Project Town**- The town in which a particular project is undertaken and for which beneficiary selection is being considered.

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

**Selection Criteria** – Selection Criteria are the factors of parameters used in selecting a set of applicants from housing demand database for housing opportunities.

**Spouse**- means any partner with whom a prospective tenant habitually cohabits.

**Target Community** – Target community is the specific group of potential beneficiaries that might benefit from a new housing project. By implication, the target community is project specific.

**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 Housing Demand Database.

**Vulnerable** – Meaning, any person/household living in dangerous circumstances (which is life-threatening), dilapidated structures (not informal structures), gross overcrowding.

**Housing Committee** – means a committee set up by Council to provide advice and oversight regarding housing delivery and administration activities

## 2. Introduction

Council has approved the housing pipeline which forms part of Kouga Integrated Development Plan as an attempt to expedite housing delivery to its households in need of housing within its jurisdiction. 0

The cornerstone of this policy is:-

- (a) The focus on creating partnerships between the various spheres of government, the private sector and communities
- (b) The quality and affordability of the housing delivered, is of central importance;  
and
- (c) The focus on creating a wholesome living environment conducive to attracting private investment.
- (d) Management and control of the spread of informal settlements, land invasion and evictions from land, and
- (e) Promotion of integrated housing development, and
- (f) The equitable, non-discriminatory administration of housing issues, including housing provision to the people living with disabilities and the aged
- (g) Registration of all Kouga residents' applications for housing assistance into an online housing demand database system.

It is Council's view that this housing allocation policy complies with the national and provincial housing policies and legislation. Its objective is to outline the policy parameters, objectives and procedures to be followed in addressing the above issues.

### 2.1 Legal Framework

Although not exhaustive, the following legislation and policies provide the appropriate legislative framework within which the Kouga Housing Allocation Policy is drafted:

- Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996)

- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998 (Act No19 of 1998)
- Extension of Security of Tenure Act, 1997 (Act No 62 of 1997)
- Municipal Systems Act, 2000 (Act No 32 of 2000)
- Local Government Municipal Finance Management Act, 2003 (Act No 56 of 2003)
- Housing Act, 1997 (No 107 of 1997)
- Rental Housing Act, 1999 (No 50 of 1999)
- National Housing Code, 2009

## 2.2 Guiding Principles

The following principles serve as guides in the implementation of Kouga Municipality's Housing Allocation Policy:

### **Sustainability**

Promotion of the establishment of socially and economically viable communities and safe and healthy conditions for human settlement while ensuring that residential developments do not impact adversely on the environment.

### **Fairness and Equity**

Housing development shall promote equal access to opportunities as well as promote equity in respect of race, gender, religion and creed.

### **Integration**

Integration social, economic, institutional, physical and environmental issues in the development of sustainable human settlements whilst ensuring the new developments lead to the integration of urban and rural areas in support of one another .

### **Affordability**

Residential development shall be economically, fiscally, socially, financially affordable, sustainable.

### **Innovation and Choice**

Promoting innovative responses that increase the availability of choice and variety to the consumer.

### **Combating Urban Sprawl**

Ensuring that new developments contribute to the compaction of towns and are contained within the urban fringes as defined in the Spatial Development Framework of the municipality.

**Community Participation**

Ensuring that effected communities actively participate in the development process .

**Empowerment**

Ensuring that development incorporate capacity building programmes that promote the utilisation of local skills and resources, as well as the participation of previously disadvantage communities.

**Habitability**

Only suitable land for human occupation shall be considered for housing development.

**Proximity to Economic Opportunities**

Land for housing shall be ideally located next to economic opportunities to lessen the transport costs to residents accessing their places of work.

**Quality**

New housing development shall comply with the minimum national quality standards as approved by the National Department of Human Settlements.

**Environment friendly**

Promoting the utilisation of environment friendly resources and design that focus on energy.

**Nature Centred Development**

Creating synergy between man-made and ecological systems through the continuation of green spaces in human settlements and the utilisation of environmentally friendly resources and designs that focus on energy saving.

**Human Centred Development**

Ensuring that the developmental needs and activities of people living in human settlements are catered, for and that opportunities for people to achieve their full potential through their own efforts are maximized.

**Integrated approach to Human Settlements**

It is Council's view that,

- Housing development shall be located closer to economic opportunities
- Housing development shall lead to the compacting of the towns and avoid urban sprawl



- Housing development shall be integrated with other municipal services social, economic and infrastructure to establish sustainable human settlements
- All housing developments (low, middle and high-income) within the Municipality shall be approved by Council in line with the provision of the Human Settlements Pipeline, the Spatial Development Framework (SDF) and the Integrated Development Plan (IDP).
- All forms of housing developments shall be promoted
- Municipal departments be coordinated to work together in planning and implementing housing projects
- The promotion of middle and high-income housing will in turn generate resources to improve low-income areas
- Equal preference be given to urban and rural development projects
- To promote environmental sensitive and energy efficient housing

### 2.3 Establishing an Integrated approach to human settlements

Council shall make available land for human settlements for Greenfield development, infill planning urban renewal or in-situ upgrading projects and prioritized in the Housing Pipeline, the Spatial Development Framework and the Integrated Development Plan of the municipality.

- 2.3.1 Council shall support and participate in, where feasible, the development of a variety of high, middle and low-income residential developments which combine single residential as well as cluster housing on both Greenfield and Urban renewal, in-situ upgrading of infill planning sites.
- 2.3.2 All future development proposals shall show how due consideration has been given to social, physical, environmental and economic aspects in the project design. An Environmental Impact Assessment or any other study to support decision-making in this regards may be required from the developer.
- 2.3.3 Council shall support urban developments within the urban fringe. Rural development shall be supported if proven feasible.
- 2.3.4 Council shall support developments that promote the optimum utilization of infrastructure and resources.
- 2.3.5 Council shall support development that is located in close proximity to socio-economic opportunities.
- 2.3.6 New Housing developments shall only be supported if in line with the Housing Pipeline, Spatial Development Framework and the Integrated Development Plan of the Municipality.

- 2.3.7 Projects shall be designed to minimize the negative impact on the environment and environmentally sensitive developments shall get preference.

## **CHAPTER 1: ADMINISTRATION AND MANAGEMENT OF HOUSING DEMAND DATABASE**

### **1. Application of Policy**

This chapter applies to the management and administration of the Housing Demand Database.

Without a credible database Council finds it difficult to know the extent of housing needs within the Municipality. This complicates housing allocations and administration. If housing applications are not systematically recorded and no dedicated officials appointed to handle them, the housing database as well as Council's vision to provide for shelter in a fair and transparent manner as envisaged by the Constitution of South Africa will be flawed.

- 1.1. The aim of the Housing Demand Database is as follows:

- Promotion of fair administrative justice in the administration of housing allocations
- Centralisation of all housing information
- The Housing Demand Database shall serve as the core instrument in the implementation of housing allocation
- The Housing Demand Database shall serve as a planning tool to human settlements, planning and infrastructure departments

### 2. Management of the housing database

- 2.1 The Human Settlements Department has the housing support and demand section which is responsible for the administration of the Demand Database

- 2.2. The Eastern Cape Housing Demand Database and the Council's Database will be used for selection of potential beneficiaries.

- 2.3 The Database shall be linked and accessible through computers in the Kouga Municipality Human Settlements offices.

- 2.4 The Manager: Human Settlements is tasked with the responsibility to oversee the management of the Housing Demand Database.

- 2.5 The Housing Demand Database will be made of the following components:

- Occupants of informal settlements
- Backyard dwellers
- Farm workers
- Applicants for municipal public rental housing accommodation (Social Housing)
- Middle Income market Group (R7001-R22000) FLISP

- Non-Qualifiers (R3501-R7000)

- 2.6 The Housing Demand Database shall be dynamic and flexible to accommodate new needs such as land ownership, enhanced serviced sites, etc.
- 2.7 The Housing Demand Database shall be updated regularly as and when new allocations are made during the course of the year and when new applications are received.
- 2.8 Auditing of the Housing Demand Database will be undertaken as necessary and when required by the internal auditing department of Council.
- 2.9 Housing officials dealing with the Database will access the system through a unique password and all changes effected on the data will be tracked by the authorised employee to ensure credibility of the data and to eliminate tampering with the data.
- 2.10 The Manager Human Settlements should ensure there is segregation of duties with the management and administration of the Database.
- 2.11 The Database Unit shall update the Housing Demand Database every five (5) years to ensure applicants who no longer reside in the municipal area do not get selected for housing opportunities.

### 3. 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 on to the Database, provided that the individual:

- Does not own fixed property
- Is a minimum of 18 years old
- Is a citizen or has permanent residence in South Africa

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

### 4. Criteria for selection from the Housing Demand Database

- 4.1 All persons who want to qualify for state financed housing must complete the standard application form to be registered on the Housing Demand Database.

- 4.2 Only applicants who appear on the Housing Demand Database will be considered for any state subsidized housing assistance.
- 4.3 Completed applications shall be lodged with the Housing Administration Section officials who shall capture the information in the Housing Demand Database ( NHNR).
- a) Application dates are not transferable to other members of a household in any circumstance, especially in circumstances where the person on the database does not qualify for a government subsidy.
  - b) Financial dependents can only be used once for a subsidy application approval and the necessary supporting documentation (proof of adoption, affidavits if extended family financial dependent) must be provided.
  - c) Where a person is living with disability supporting documentation must be provided (doctor/clinic certificate/report and a report from SASSA).
  - d) The Housing Administration section will investigate each case in terms of aged and disability status and submit a detail report on the circumstances for approval by Council.

## **CHAPTER 2: ALLOCATION POLICY-GREEN FIELDS DEVELOPMENTS**

### **1. General Mechanisms**

Selection will be done strictly on the active entries on the Housing Demand Database and the principle of **“first come first serve basis will be applied”**.

### **2. Selection Criteria**

Selection will be done based strictly on the active entries on the Housing Demand Database registration and the principle of “first come first serve basis” will be applied. Allocation of housing subsidies shall comply with the provision of the Housing Act, the Housing Code, the Provincial and Municipal Housing Policies.

Applicants will only be eligible for selection in a project if they have updated **“their status”** on the Housing Demand Database on the year preceding the project.

- 2.1 Housing allocation shall be decided on a first come first serve basis (selected in order which they were registered on the database) subject to the provisions below:

Applicants shall be Kouga Municipal area residents

- a) The **aged ( 60 years and above) and people with permanent disabilities** shall be prioritised without unduly undermining the principle of “first come first serve”
- b) In a project 70% of the opportunities in the project component will be allocated to applicants on the Housing Demand Database residing in the project town/ area including its wards.
- c) 20% of opportunities will be allocated to households in an emergency as defined in the Emergency Assistance Housing Policy residing within the project town/area
- d) 10% of opportunities will be allocated to farm workers on the farms within that project town/area

2.2 After an application has been approved, the Municipality shall inform the applicant through any of the following:

- a) A letter, where an address has been provided in the application form.
- b) By telephone, where a telephone number has been provided.
- c) Notice on the notice boards of the Municipality and its satellite offices.

2.3 The full list of approved allocations will be displayed on notice boards at municipal offices for transparency purposes and for comments by the public.

### **CHAPTER 3: POLICY ON AFFORDABLE HOUSING AND SOCIAL HOUSING**

*Institutions and developers use their own selection processes*

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

3.1 *Projects open to all qualifying across the municipality*

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

3.2 *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 under consideration, further selection of individuals/households on the housing institution' or developer's list should occur in order of registration.

## **CHAPTER 4: INSTITUTIONAL ARRANGEMENTS**

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

### **1.1.1 Council**

The Council is responsible for:

- Adopting and reviewing, by resolution, the Municipality's Housing Selection Policy
- Monitoring the implementation of the Housing Selection Policy

### **4.1.2 Planning Development and Tourism Portfolio Committee**

- The Planning Development and Tourism Portfolio Committee monitors the implementation of the policy

### **4.1.3 Ward Councillors**

- Ward Councillors will play an advisory and oversight role
- Refer all enquiries relating to housing allocations the Director: Planning Development and Tourism

### **4.1.4 Municipal Manager**

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

To enable implementation, the Municipal Manager establishes the required roles and responsibilities as follows:

### **4.1.5 Director: Planning Development and Tourism (referred to as "Director")**

The Director has the following roles:

- Issuing instructions to the Manager: Human Settlements about how the Housing Selection Policy will be implemented for each project.
- Reporting to the Council on a quarterly basis on how the selection broadly occurred within the affected housing projects i.e. the number of opportunities in the project, the quotas used, the number of opportunities within each quota, the nature of selection parameters and dimensions of the selection parameters, if used.

#### **4.1.6 Manager: Human Settlements**

The Manager: Human Settlements has the following general roles:

- Generally ensures that all processes required for selection in the project component as laid out in Policy occur.
- With his/her support staff, manage the process of public comment on preliminary lists, deal with queries of the public directed towards him/her where possible by referring any queries to the appropriate officials and informing members of the public about the responses.
- Institutional and affordable housing project components, the Manager: Human Settlements 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 Housing Demand Database should the social housing institution or developer require this.
- Should registration date ordering be required, the institution or developer will submit names and ID Numbers of the individuals or households on its list to the Manager: Human Settlements for ordering according to the registration date and receive the list back.

#### **4.1.7 Beneficiary Committee/Project Steering Committee**

The Beneficiary/Project Steering Committee will not be involved in the selection of beneficiaries for a project. The roles of the beneficiary/project steering committee will be:

- To be a liaising body between Council and the beneficiaries
- Assist in verifying beneficiaries that have been selected
- Be a representative body for the beneficiaries to ensure that the policy is properly implemented

The Municipality will establish the Beneficiary/Project Steering Committee by placing an advert in the local community Newspaper and Municipal Offices calling on all selected beneficiaries for a particular project establishment of a Project Steering Committee. A beneficiaries meeting will then be called for the election of the Beneficiary Committee. The Beneficiary/Project Steering Committee will be elected at a public meeting called by the Municipality and will comprise representatives from the following stakeholders:

- Human Settlements officials from the Municipality
- Human Settlements officials from the Regional human settlements office
- Representatives elected by beneficiaries from the beneficiary list as selected by Municipality
- Project consultants
- Contractor

- Housing Committee members
- MMC for Planning Development and Tourism
- Ward Councillor where project is being implemented
- Internal Audit

#### **4.1.8 Housing Administration and Demand Sub-section**

The Manager: Human Settlements will ensure that this section has dedicated officials responsible for updating and administration of the Housing Demand Database. The role of these officials will be to:

- Process application forms from individuals and households for entry onto the NHNR systems.
- Verify and update information.
- Store information contained on the application safely.
- Apply the Selection Policy and selection parameters to the database to select beneficiaries for the project by order of the Manager: Human Settlements
- Answer any formal queries in writing about any preliminary selection lists that maybe referred to Manager: Human Settlements
- Keep track of status of entries on the Database, including whether and when database entries have received subsidy or rental opportunity, and the location of such a property.

#### **4.1.9 Contractor or Implementing Agents**

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

#### **4.1.10 Allocation Committee**

- To administer the selection and allocation process
- Membership of the allocation committee must as a minimum comprise of the following public sector officials – 4 housing officials from the municipality  
(Manager: Human Settlements, Senior Technical Administrator, Human Settlements Clerk: Data Capturing/NHNR, Human Settlements Clerk: Subsidy Administration,- 3 officials from the PDOHS)
- Allocation committee should not include any political office bearer (s) –  
Section 6. 1.1 of the National allocation guidelines No. 9, 12 March 2012 read with No. 12 of the Eastern Cape Housing beneficiary Allocation Policy, 2018



#### 4.1.11 Housing Committee

- Ensure public participation in all human settlement projects
- To represent the local project communities and the potential housing benefits of approved projects and take decisions on their behalf
- Ensure that the key issues of public concern relating to the housing department are brought to the attention of the Council
- To play an advisory and oversight role

#### 4.2 Channel for queries about Preliminary Selection

After the Municipality has undertaken pre-screening of the preliminary lists 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 National Housing Needs Register. The list will be posted for a period of 2 weeks to afford the public to submit objections on the names selected.

The Municipality will have 3 weeks to respond to the queries raised by the public.

#### 4.3 Communication of the Policy

The Municipality will communicate the Housing Allocation Policy to the residents of the Municipality at least twice per year during feedback meetings of Ward Councillors. Each housing office will provide information explaining the Policy. The full Policy will be available on request for reading in all Municipal buildings in which the officials of the Municipality will interact with the public in face-to-face manner when requested to do so. The responsibilities of residents to register and annually update information will be made clear, and the consequences of not fulfilling these responsibilities will be explained to them.

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|----------------------------|---|
| Policy Owner               | Director: Planning<br>Development and Tourism |
| Policy Champion            | Manager: Human<br>Settlements                 |
| Policy adopted by Council  | 29 July 2022                                  |
| Policy implementation date | 1 August 2022                                 |
| Signature                  |   |
| Date of signature          |   |