

REVISED HOUSING ALLOCATIONS POLICY FOR THE CITY OF JOHANNESBURG

1. Policy intention

The Revised Allocations policy for Housing replaces the Housing Allocations Policy that was approved for the City of Johannesburg in 2002 and the Policy Regarding Succession of Tenancy for letting Housing Units approved in March 1994. The objective of the original policy was to facilitate access to housing opportunities for the 'constituents' of the City. The policy however has not been able to adequately respond to the housing delivery challenges being experienced within the City of Johannesburg. Amongst these challenges have been the illegal subletting of units by tenants, addressing the housing needs of 'non-qualifiers' and issues of succession. In addition changes in the housing policy and implementation environment at the national, provincial as well as local level necessitates a revision of the City's housing policy.

In 1996 the Provincial Housing Department undertook the implementation of a waiting list database system for the Gauteng Province. At that time potential housing subsidy beneficiaries were invited to register to be on the Provincial waiting list. The waiting list was essentially a database system used to allocate houses to households that applied for the government's housing subsidy. Subsequently the City of Johannesburg, Housing Department also advised applicants who were registered on the City's rental housing database to register on the Provincial waiting list.

The waiting list however has not been a very effective tool to address housing allocations in the Province. According to the Provincial Department of Housing the following are issues that impacted upon the effectiveness of the waiting list:

- Municipalities prioritised communities that are not on the waiting list, because of emergency circumstances eg. living below the flood line, on dolomitic conditions etc
- Households on the waiting list could not afford the R2 479 financial contribution that was required by government
- Communities in areas where housing projects were planned were not always on the waiting list
- Housing planning and delivery in the Province was not able to meet the demand as reflected on the housing waiting list, and the expectations that had been created
- The waiting list was not able to adequately accommodate households that required rental tenure options
- Municipalities and Province were not adequately maintaining the waiting lists
- The data inputted into the original waiting list was incomplete and / or incorrect

- Some of the individuals on the database could not be traced
- Province did not remove households from the database that had benefited from the subsidy in housing projects.

Given these problems the Provincial Department of Housing has announced that the Provincial housing waiting list is to be converted into a housing demand database. The revised allocations policy accommodates the objectives of the provincial database, especially with regard to allocations in new housing projects.

The Revised Allocations Policy for Housing aims to ensure that citizens and residents of the City of Johannesburg, especially those with lower incomes are able to access housing opportunities that materialise within the City. The policy provides a framework to ensure that the various households are able to access a varying range of available housing opportunities (either rental or ownership) that they may desire.

In 2005, the National Department of Housing extended the income limit for government assistance with the introduction of a new mechanism that will assist first time home buyers who earn between R3 501 and R7 000 per month, to obtain home loans by means of a Government subsidy which will be linked to the deposit required by financial institutions. On the basis of the improved housing affordability and enhanced access to credit, households earning between R3 501 and R7 000 per month will now be able to afford a range of housing options that would become available either through the newly built or the secondary markets. The subsidy, together with the deposit, will enable the applicant to make a down payment on a bond for the acquisition of an existing improved residential property or to acquire a serviced residential stand that is linked to financing a house-building contract with a registered home builder.

It is estimated that the housing backlog within the City of Johannesburg is approximately 360 000. This includes households in informal settlements, backyard rental/ rooms as well as potential displaced hostel residents. The backlog figure however excludes subsidised housing demand that may exist among adequately housed, but subsidy eligible households – for instance, domestic workers currently residing on their employer's property. Such households are entitled, in terms of the subsidy guidelines, to state subsidised housing.

According to the Provincial waiting list database from 1996 – 2005 approximately 211 221 households registered for a housing subsidy and housing opportunity in Johannesburg. This represents 37.7% of the total number of households that had registered during this period in Gauteng. It is not clear however how many people that had registered have actually accessed a housing subsidy and are living in a government subsidised house in the City.

In instances where the housing delivery programme in South Africa has been compromised in terms of fraud and corruption, the housing allocations process has

been one of the areas that have been most vulnerable. This policy thus attempts to provide the parameters within which housing allocations need to be implemented in the City, thereby reducing the potential risks for mal administration and corruption.

2. Scope of the policy

2.1 The policy provides a framework for addressing housing allocations on projects where the City of Johannesburg, Housing Department is the developer and where the City has entered into agreements with other stakeholders for example the Provincial Department of Housing, to undertake the allocations component on projects where the Province is the developer.

2.2 The policy addresses allocations to a range of housing programmes being implemented by the City, including informal settlement upgrading, mixed development, council owned rental stock, accommodation for senior citizens, hostels and emergency accommodation.

2.3 The policy also seeks to provide for the utilisation of systems to address the backlog and demand for housing. This would include utilising the provincial housing demand database to assist in the planning of targeted housing delivery as well as directing households to housing opportunities being implemented by other role players in the City, through the establishment of a housing opportunities data base.

3. Objectives

The objectives of the policy are:

- To assist in the prioritisation of housing applicants;
- Through the housing demand database to have relevant and accurate data for housing planning;
- To ensure that people living in special circumstances, e.g. in life threatening circumstances, condemned or over crowded buildings or people evicted or facing eviction from land and buildings are prioritised;
- To address the 1996/1997 waiting list as per the MEC's directive;
- To serve as a proactive measure against corruption, fraud and mal-administration; and
- To ensure a well co-ordinated and integrated City wide housing allocation policy.

4. Principles

The policy should:

4.1 Ensure fairness and equity as far as possible through its application and implementation;

- 4.2 Facilitate transparency, in that any individual will be able to inspect that the procedures implemented in the allocation of housing opportunities are not unfair, corrupt or discriminatory; and
- 4.3 Facilitate social inclusion and integration, where possible.

5 Housing Eligibility

The National Housing Subsidy programme requires that the following criteria is met in order to be eligible for a housing subsidy:

- Married /or be habitually cohabiting
- If single must have dependents
- Must be a lawful resident of South Africa
- Be competent to contract
- Monthly household income not exceeding R7000 per month
- Not yet benefited from government funding
- First time property owner

In addition in Gauteng, an additional criteria for the allocation of housing opportunities is that you must be an applicant on the provincial waiting list. The application of the criteria however was not practiced in all circumstances eg: informal settlement upgrading and relocation. Further the MEC for housing in Gauteng has also issued a directive that the applicants on the 1996/97 waiting list be prioritised.

6. Eligibility and allocations on particular projects:

6.1. Upgrading of informal settlements programme

Notwithstanding the above criteria for subsidy eligibility some of the housing programmes have exceptions. In the upgrading of informal settlement programme the eligibility criteria as previously mentioned is not applicable. And in these projects in terms of the National Upgrading of Informal Settlements Programme opportunities for housing, can be allocated to households that do not meet the above criteria (normally referred to as non –qualifiers).

- 6.1.1 Households living in informal settlements, and who qualify in terms of the housing subsidy criteria will be prioritised with regard to housing allocations,
- 6.1.2 In implementing allocations the 'block by block' approach will be utilised, so that allocations is undertaken in a systematic manner.
- 6.1.3 At the same time there needs to be proactive management of informal settlements by the City to ensure that no new informal settlements are established and that internal growth is prevented or contained. This process

would prevent households from settling in informal settlements as a means of accessing housing opportunities from the state – ‘queue jumping’.

6.1.4 Addressing Non -qualifiers

6.1.4.1 The housing needs of non-qualifiers will be implemented in terms of the Policy on addressing non-qualifiers in the housing programme implemented by the City of Johannesburg (2006).

6.1.4.2 All persons considered as non-qualifiers would be able to purchase a site on a project or be allocated to affordable rental or social housing accommodation that is available.

6.1.4.3 In accordance with other programmes, households that are not lawful residents and do not have proper documentation cannot be allocated housing opportunities and are to be referred to the Department of Home Affairs.

6.2 . Greenfields and mixed developments

This refers to housing developments that have a combination of tenure option, housing typologies and can accommodate a range of household incomes.

The following households would be allocated to these developments:

- 6.2.1 Households that are part of targeted informal settlements identified for relocation to the project.
- 6.2.2 Households on the 1996 and 1997 waiting list applicable or the housing demand database.
- 6.2.3 Households that respond when housing products are marketed, and comply with the advertised criteria.

6.3.Social Housing / Institutional housing

Social Housing institutions, including the Johannesburg Social Housing Company (JOSHCO) have their own allocation criteria and are responsible for managing their own housing waiting lists and databases.

Should the housing projects being implemented require subsidy funding, the criteria for allocations will include the criteria of the National Housing subsidy programme as applicable to social and institutional housing.

With regard to housing allocations:

6.3.1 Social housing institutions will develop and manage their own housing allocations policy and procedures

6.3.2 Where the City requires social housing institutions to manage the housing stock on their behalf; the allocations policy and procedure for the project will be agreed upon as part of the service level agreement. An example of this is where the City may require JOSHCO to allocate a targeted grouping of beneficiaries to housing units in a project in the inner city.

6.4. Council owned rental stock

This refers to duplexes, flats and free standing units etc

The transfer of council owned rental properties to qualifying beneficiaries through the Discount Benefit Scheme, the RETRO programme, sectionalisation programme and the national programme of the Enhanced Extended Discount Benefit Scheme has significantly impacted on the number of rental units that are owned and managed by the City.

Notwithstanding these processes there are still rental units that are owned and will need to be managed by the City in terms of maintenance and allocations.

Council owned rental stock is targeted at addressing the housing needs of the poor, especially households with an income of less than R7 000 per month.

With the commitment by government to provide housing opportunities to people there is a need to exercise discretion in determining the reality and practicability, with the intention to ensure sustainable housing

The eligibility criteria used for allocation of Council rental units would be the following:

6.4.1 Council rental units will be allocated to households that are on the provincial list or housing demand database.

6.4.2 A household monthly income (maximum R7000 per month) of not more than three times the required monthly rental is applicable.

6.4.3 The affordability level will be determined by taking into consideration all household expenditure.

6.4.4 Credit control will be implemented in line with the City's credit control policy and no illegal occupation and subletting will be condoned.

6.4.5 The applicant must not have benefited from other housing programmes being implemented by the City.

6.4.6 Substitution of a beneficiary –

In cases of death of a lessee, the immediate family i.e. the spouse and or child, competent to contract (who lived in the housing unit with the deceased) may apply to enter into a lease agreement with the city. However normal allocation processes (identified in 6.4.2 – 6.4.5) will be applicable.

6.4.7 In cases where the household affordability changes the affected households will be encouraged to occupy a new unit according to their revised affordability.

6.4.8 In ensuring that households living in Council rental accommodation continue to be eligible for allocation to Council rental accommodation all lease agreements will be reviewed every two years for compliance, and all new lease agreements shall be signed for a maximum of two years, and shall be renewed depending on the households eligibility.

6.5. Accommodation for Senior Citizens

The City has a approximately 2141 residential units, managed by the Housing Department that have been reserved to accommodate senior citizens.

The eligibility criteria for the allocation of these units includes:

6.5.1 Applicants must be 60 years and older to be allocated a unit.

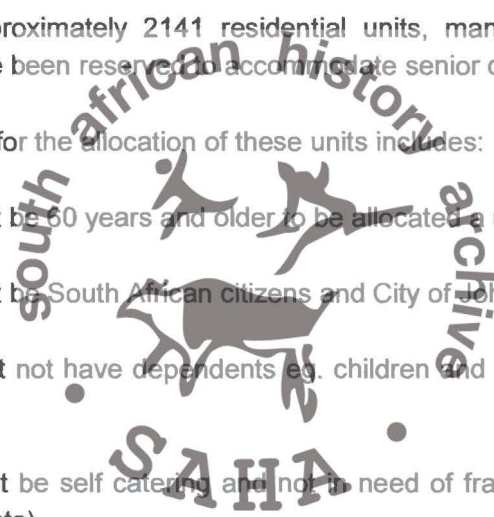
6.5.2 Applicants must be South African citizens and City of Johannesburg residents.

6.5.3 Applicants must not have dependents eg. children and grand children residing with them.

6.5.4 Applicants must be self catering and not in need of frail care (confirmed by a medical certificate).

6.5.4 A household monthly income of not more than three times the required monthly rental is applicable.

6.5.5 The applicant must not have benefited from other housing programmes being implemented by the City.



6.6 Staff hostels

The City is currently not allocating any employees to vacant units in staff hostels.

The management of the staff hostels is being handed over to JOSHCO and once re developed the allocations will be implemented on the basis of the housing allocations policy of JOSHCO.

6.7 Public hostels

Similar to the informal settlements upgrading programme, the public hostels are currently overcrowded and already have residents living in them.

6.7.1 The housing subsidy eligibility criteria will apply.

6.7.2 In instances where a 'non -qualifier' is already resident in the public hostel, they would be allowed to rent a unit from the City.

6.7.3 However, as and when units become vacant and secondary allocations is required, the procedures proposed under 6.4 Council owned rented stock will become applicable.

6.8 Emergency housing accommodation

In terms of the national housing programme for housing assistance in emergency circumstances all affected households are eligible for emergency housing. All the eligibility criteria identified in terms of the national subsidy programme are not applicable.

6.8.1 In an emergency situation all affected households will be allocated to emergency housing accommodation.

6.8.2 The duration for the emergency accommodation will be dependent on the nature of the emergency and the rectification of the emergency situation.

7. Housing Demand database

The housing waiting list for Gauteng is being converted into a Housing Demand Database.

7.1 The Housing Demand Database will comprise an aggregated list of beneficiaries compiled in accordance with geographic locality and will be managed at a municipal level.

7.2 Households will be able to apply to be on the demand database on an ongoing basis.

7.3 Households on the database will be prioritised and accommodated in terms of their status eg special needs

7.4 The database will be updated annually via a registration process implemented by the Gauteng Department of Housing.

7.5 Systems will be established to ensure that once households have benefited, Province will be notified to them from the database.

8. Housing allocation priorities

8.1 The aged, and disabled are considered special needs groups and identified as vulnerable members of the community. They will therefore be prioritised with regards to housing allocations.

8.2 People living in special circumstances, e.g. in life threatening circumstances, condemned or over crowded buildings or people evicted or facing eviction from land and buildings will also be prioritised in new housing projects if available or in emergency accommodation.

9. Addressing Challenges in the allocation process

9.1 Succession of intended beneficiaries

In instances where qualifying beneficiaries have died prior to being allocated a house the following will be implemented.

9.1.1 The South Africa law of succession and administration of deceased estates, and if applicable the approved Housing Policy for Child Headed Households (2005) will be adhered to.

9.1.2 In instances where the children are over 21 years of age they will be eligible for the subsidy and will be allocated the house.

9.1.3 In instances where there is no spouse and the dependants are still under the age of 21 years, a legal guardian must be appointed, and the house will only be transferred to the dependants of the deceased once they are of the contractual age of 21 years.

9.1.4 In instances where there are no family members or if family members are traced but do not respond within a agreed timeframe the house will be allocated to other qualifying beneficiaries on the housing demand database or project register which ever is applicable.

9.2 Missing or untraceable intended beneficiaries

9.2.1 In an instance where the housing subsidy applicant/ beneficiary cannot be traced the City must do everything possible to locate the beneficiary, including placing a notice in the local newspaper. Should the applicant still not be traced the MEC will be requested to deregister the subsidy -

10. Housing opportunities database

Given the critical need and demand for housing in Johannesburg it is important that the City has a good understanding of housing opportunities by other role players in the City.

10.1 The City will establish a "Housing Opportunities Data Base" which will record and maintain a current listing of all housing opportunities available to low and middle income earners in the city.

10.2 The City will encourage housing suppliers, whether large or small scale, whether companies or individuals, to use this database as a mechanism for advertising their stock, whether available for rental or ownership.

10.3 Advertising of stock will be for free or for a minimal cost, to encourage wide spread use of the system.

10.4 Housing consumers will also have free access to the data base at Peoples' Centres throughout the City.

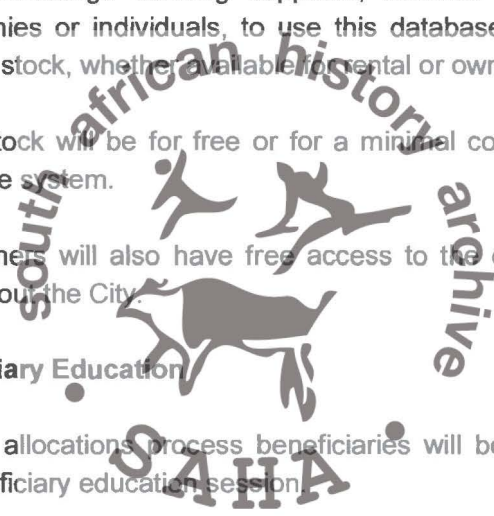
11. Housing Beneficiary Education

11. 1 As part of the allocations process beneficiaries will be required to attend a mandatory beneficiary education session.

11.2 The City will develop beneficiary education material to support beneficiaries on better understanding their rights and obligations to their allocated housing unit.

12. Allocations at a Project Level

12.1 Notwithstanding the Revised Allocations Policy for the City of Johannesburg, it is important that at a project level a separate 'policy' or set of procedures for allocations is developed and agreed upon at a local project level, at the outset of the project.



13. Institutional Arrangements

13.1 To effectively manage, implement and monitor housing allocations a two tier institutional mechanism is proposed. A central allocations committee will be established, which is responsible for the overall monitoring of the implementation of the policy, database management and allocations to council owned rental stock and accommodation for senior citizens.

However at a project level a project allocations committee will also be established. This committee will apply the principles of the city wide policy to the project, and will also be entitled to introduce any special additional criteria particularly appropriate to that project provided that they are not in conflict with the overall principles and policy.

As part of the implementation guidelines for the policy, terms of reference will be developed for both committees, identifying the roles and responsibilities as well as composition.

