

SALDANHA BAY MUNICIPALITY



BENEFICIARY SELECTION POLICY
2018

INDEX

Definitions	3
1. Preamble	5
Policy Prescripts And Provisions	5
2.1. Policy Intent	5
2.2. Policy Framework	5
2.3. Overall Policy Principles	5
2.4. Institutional Arrangements	6
2.4.1 Council.....	6
2.4.2 Project Manager	6
2.4.3 Project Steering Committee	7
2.4.4 Selection Overseer	7
2.4.5. Database Unit.....	8
2.4.6 Contractor And Projects Consultants.....	8
2.4.7 Channel For Queries About Preliminary Selection.....	8
2.4.8 Communication Of The Policy	9
2.5 Municipal Housing Demand Database.....	9
2.5.1 Assigning Registration Dates To New Entries On The Database	9
2.5.2 Data Fields On The Database	9
2.5.3 Supporting Documentation For Registration And Updating	10
2.6. Application Of Policy	10
2.6.1 Mechanisms That Apply To More Than One Project Component Type	11
2.6.2 Green-Field, Non-Relocation Project Components.....	12
2.6.3 Relocation Project Component Type	13
2.6.4 Institutional And Affordable Housing Project Component Type	14
3 Selection That Falls Outside The Scope Of This Policy	15
3.1 Emergency Housing.....	15
De Gewels Old Age Facility	15
Military Veterans	15

DEFINITIONS

Affordable housing project 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 Financed Linked Individual Subsidy Programme (FLISP).

Catchment Area: The geographic area designated by the municipality for a particular project component consisting of a particular municipal geographic area or areas for the purposes of selection

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

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

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

Municipal geographic areas: The fixed set of defined non-overlapping areas into which the entire geographic area of the municipality is divided for the purposes of recording the location of residence and the preferred location/s of subsidised housing opportunities of the individuals/households registered for housing opportunities.

Non-quota portion: The portion of a project component where at least one quota is used in selection that is left open for all eligible entries no matter their characteristics. Refer to definition of quota.

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

Preliminary list of beneficiaries: List of households drawn from the municipal database by the application of the municipal selection policy and any project specific selection parameters, prior to the checking of the eligibility of the households by the appropriate authority (usually the Department).

Pre-screening: A rapid assessment of households’ eligibility for housing subsidy programmes undertaken by the municipality itself and/or the Department upon submission by the municipality, prior the assessment of subsidy applications. Pre-screening done by the Department excludes the checking of prospective beneficiaries against the Deeds Office record. Pre-screening by the municipality may include checking selected database entries against the municipality’s property register.

Project component: Each section of a human settlement project that has a different mechanism for selecting beneficiaries. A project is subsidised human settlement intervention that occurs on single site or set of related sites.

Proxy: An indicator that is used in the place of the desired indicator because it is easier to determine the value of the former.

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

Real registration date: The date on which an individual either submits a registration form for entry on a municipal housing demand database, or has his/her information entered onto the database, whichever date the municipality decides upon.

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

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

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

The Department: The Western Cape Department of Human Settlements.

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

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

1. PREAMBLE

The advent of the “Draft Provincial Framework for the Selection of Housing Beneficiaries in owner-based housing projects” has prompted this review of the Selection Policy.

POLICY PRESCRIPTS AND PROVISIONS

2.1. POLICY INTENT

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

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

- a) green-field, non-relocation project components for the R0-3500 household monthly income sector or as prescribed by National or Provincial Government;
- b) Relocation project components linked to informal settlement upgrade projects;
- c) Institutional and housing project components that result in ownership (including “rent-to-buy” options)

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

2.2. POLICY FRAMEWORK

This policy has been enhanced within the framework of the relevant clauses of the Housing Act, 1997 (Act 107 Of 1997), amended National Housing Code, SBM’s Integrated Development Plan, and the National “Strategy for the allocation of housing opportunities created through the national housing programmes”, and the recently released “Draft Framework Policy for the Selection of Housing Beneficiaries in owner-based housing projects” and “Municipal Selection Policy Template”.

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

2.3. OVERALL POLICY PRINCIPLES

The following guiding principles are applicable to the policy:

- Equity:** all persons must have an equal opportunity in applying for housing assistance.
- Transparency:** any person must be able to have reasonable access to the allocation policy and the process in selecting and ranking applicants for a housing opportunity.

- Functionality:** the policy must be practical and understandable.
- Social cohesion:** the spirit of this policy is to minimize social conflict and optimize development progress.
- Access:** the housing allocation policy must be applied to enhance easier access to housing opportunities.
- Integration:** the allocation policy should be implemented in a manner that promotes integration into SBM.

2.4. INSTITUTIONAL ARRANGEMENTS

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

2.4.1 Council

The role of the Council is to adopt and review, by resolution, the municipality's Selection Policy periodically as promulgated.

The Council is also responsible for ensuring the Selection Policy is being implemented by the Social Development Portfolio Committee, and to this end will examine details about how the Selection Policy was implemented on a per project basis submitted by the Selection Committee or designated senior official.

The Council can ask the Selection Committee or the designated official to motivate decisions on the Proximity Area radius length (where applicable) and to reconsider decisions taken during selection provided any reconsideration occurs within the confines of the Selection Policy.

2.4.2 Project manager

The municipality will appoint an official as a Project Manager for every subsidy project component.

The Project Manager has the following general roles:

- generally, ensure that all processes required for selection in the project component as laid out in policy occur
- Make recommendations and submit recommendation to the Selection Overseer on how the Selection Policy should be implemented in the project component
- Submit other information about the project to the Selection Overseer as deemed necessary by the latter to enable decision-making
- Establish the Project Steering Committee, where applicable
- with his/her support staff manage the process of public comment on preliminary lists and refer any queries to the appropriate officials.
 - The Project Manager will serve as the Chairperson of the Project Steering Committee.

In institutional and affordable housing project components, the Project Manager will manage the process of ordering of applicants according to date of registration on the municipal database should the social housing institution or the developer require this. The institution or developer will submit the names and ID numbers of the individuals or households of its list to the Project Manager designated to the project for ordering according to registration date and receive the list back from the Project Manager.

2.4.3 Project Steering Committee

For each green field, non-relocation project, the municipality will establish a Steering Committee before selection. Likewise, for each relocation project component, the municipality will establish a Steering Committee before selection.

For the green-field, non-relocation project, the Steering Committee will recommend a catchment area to the Project Manager who in turn will make a recommendation on the catchment area to the Selection Overseer.

For the relocation project, the Steering Committee will develop recommendations for how selection within the relocation project will occur and submit these to the Project Manager who will in turn make a recommendation to the Selection Committee or the responsible official for decision making.

The municipality will establish the Steering Committee by placing an advert in the local community newspapers and municipal offices calling on interested parties to be part of the establishment of a Project Steering Committee. The committee will be elected at a public meeting called by the municipality and will comprise representatives from the following stakeholders:

- Officials from the municipality including the Project Manager for the project concerned.
- Beneficiaries from communities within the project
- Councillors, both ward and PR (oversight)
- Project consultants

2.4.4 Selection Overseer

The municipality will establish a Selection Overseer which will have the following roles:

- ensuring that the Selection Policy is being implemented in each project component.
- indicating to the Council / council committee how the Selection Policy is implemented in every project, before implementation occurs.
- Issuing instructions to the Database Unit about how the selection policy will be implemented for each project.

The designated official should not be a project manager or part of the data management unit and should be on a senior level.

2.4.5. Database unit

The Indigent & Housing Demand Management units, North and South, of the municipality will manage its “Housing Demand Database”, consisting of one or more officials who have other responsibilities in the municipality but will not be Project Managers or the Selection Overseer. The role of the unit is to:

- Process forms from individuals and households for entry onto the database
- Verify and update information
- Store the information contained on the forms securely
- determine the database entries eligible for the project or project component in question (based on the household information captured on the database)
- Apply the Selection Policy to the database to select beneficiaries for the project as indicated by the Selection Overseer.
- Answer formal queries about any preliminary selection lists

The credibility and integrity must be certified as correct by the various stakeholders

2.4.6 Contractor and projects consultants

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

2.4.7 Channel for queries about preliminary selection

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

The list will be posted for a period of 2 weeks in the local newspaper, notice boards and personally served notifications to physical addresses and via cell phone sms notification, notifications through the South African Post Office, ward committees and local radio station. The municipality will have 3 weeks to respond to the queries raised by the public, as stated in the publication.

2.4.8 Communication of the Policy

The municipality will communicate the Selection Policy to the residents of the municipality at least twice per year via publishing information in local newspapers and the notice boards of public building. Each housing offices will display information explaining the policy. The full policy will available on request for reading in all municipal building in which the officials of the municipalities interact with the public in a face-to-face manner. The responsibilities of the residents to register and update information will be made clear, and the consequences of not fulfilling these responsibilities will be explained.

2.5 MUNICIPAL HOUSING DEMAND DATABASE

2.5.1 Assigning registration dates to new entries on the database

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

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

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

The receipt of a municipal rental opportunity will not extinguish the registration date, although the individual or household will only be considered for selection in terms of this Policy after a minimum of 2 years of living in municipal rental accommodation.

2.5.2 Data fields on the database

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

For households with one adult in the household core:

- name and ID number of the adult
- registration date
- residential address (according to standardised naming convention operational in the municipality)
- disability status of self and each of the financial dependents
- Monthly income of individual
- “Municipal geographic area” of preference for the housing opportunity

For households with two adults in the household core:

- Relationship between the two adults

2.5.3 Supporting documentation for registration and updating

Data to determine whether household in desperate need

The municipality will make use of the systems that are in place with Provincial Department of Human Settlements (Overnight Verification of beneficiaries)

Group	Interim source of verification	Final source of verification
Eligible household with at least one adult having a permanent disability (according to SASSA's definition)	<ul style="list-style-type: none"> • Original or certified copy of permanent disability grant approval and latest review outcome letter from SASSA (not older than 5 years) 	SASSA confirmation that individual with particular ID number is classified as permanently disabled by SASSA
Household with an adult caregiver of a permanent disabled minor or financial dependent receiving Care Dependency Grant – need to double check this	Original or certified copy of Care Dependency Grant approval and latest review outcome letter from SASSA (not older than 5 years)	SASSA confirmation of CDG recipient and caregiver using IDs

Backyard dwellers/families

2.6. APPLICATION OF POLICY

This policy applies to the selection of applicants for the identification and selection of beneficiaries for certain state subsidised new housing projects.

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

- a) green-field, non-relocation project components for the R0-3500 household monthly income sector;
- b) Relocation project components linked to informal settlement upgrade projects;
- c) Institutional and affordable housing project components that result in ownership (including “rent-to-buy” options)

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

2.6.1 Mechanisms that apply to more than one project component type

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

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

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

The balancing will seek to equalise the relative access each group enjoys to basic, on-site municipal services. The municipality will determine the level of service threshold for “acceptable access” for people living in formal overcrowded conditions for the municipality to enable this balancing.

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

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

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

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

The municipality will as far as possible attempt not to apply for subsidies longer than 12 months prior to the start of a project. Subsidy approvals will be screened 6 months prior to start of the project to confirm that status of applicant.

2.6.1.3 Registration date ordering

Registration date ordering refers to the process whereby all database entries considered eligible for the project component are arranged from the earliest registration date to the latest registration date.

The municipality has analysed its registration date data and found that there is a lack of adequate correlation between the registration date assigned to the household and the age of the oldest adult in the core household.

- a) The maximum time an individual could have been registered for if he/she had registered at age 18
- b) The period an individual is actually registered for subtracted from current age of oldest member in the core household

2.6.2 Green-field, non-relocation project components

Only households on the database will be considered for selection.

The municipalities will determine a catchment area for the project area in the following the process laid out in 2.4.

Database entries indicating the catchment area as their area preference will be selected for the project component in order of registration date order using the composite registration /age date index as a proxy for the registration date until all project opportunities are selected for, for all quota section and non-quota sections of the project component.

Individuals and households registered on the database may change their area of choice at any time without notice and without any impact on their dates of registration;

A quota of 5% of the opportunities in the entire project Greenfields, non-relocation components will be set aside to prioritise “households in desperate need”. Households which have a severe need for municipal service that endures, as opposed to need arising from an acute episode of desperation and hardship, should be prioritised. Households in desperate need experience a more intensely desperate situation arising from their lack of adequate services and shelter than other households in the eligible population because of characteristics (often physical) of an individual person in the household or of the household collectively that endure over time.

Backyard dwellers and Military veterans to be accommodated on a percentage per project as determined by council for each project.

2.6.2.1 The municipality will classify the following characteristics as being “households in desperate need”:

- a) A household with at least one adult member in the core household or a financial dependent with a permanent disability such that he/she receives a permanent disability grant or would receive a permanent disability if their income fell within the income threshold for the permanent disability grant. If the adult member is older than the threshold age for the Older Person’s Grant and did receive a permanent disability grant

before reaching the threshold age for the Older Person's Grant, the household will also fall into category a.

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

Quotas the non-quota portion will be filled in the following order:

- a) Non-quota section for households not in desperate need;
- b) Quota for households in desperate need

2.6.2.2 Priority will be given for age based subsidies in greenfield projects for households with heads that are 35 years or older, except in the cases where :

- a) A household is selected via "quota for household affected by permanent disability", in which case age-based prioritization must strictly not be applied;
- b) A household is selected for an institutional or FLISP subsidy;
- c) The municipality's housing demand database no longer contains households with at least one non-dependant adult being 35 years or older within the prescribed catchment areas that meet the minimum registration period of three years.

In the case of (c) above, the guidelines indicate that municipalities should select entries from successively younger cohorts registered on the database in five year increments. Households should be selected in registration date order, and the minimum registration period guideline should be applied.

2.6.3 Relocation project component type

2.6.3.1 Basic methods for selection beneficiaries for relocation or remaining in an informal settlement

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

- a) Ordering according to the duration of residence in the informal settlement;
- b) Ordering according to the registration date of households in the informal settlement
- c) Selection of households who are in "desperate need"
- d) Selection of households according to their relative location to public infrastructure and public facilities planned for informal settlement upgrade
- e) Randomised selection to address unique situations.

- f) Backyard dwellers to be accommodated on a percentage per project as determined by council for each project.

2.6.3.2 Sufficient information for informal settlement households

Where the municipality makes use of a), b) or c), the municipality should have the necessary information for a sufficient number of households in the informal settlement targeted for upgrade.

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

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

2.6.4 Institutional and affordable housing project component type

2.6.4.1 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 according to municipal guidelines.

2.6.4.2 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.

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

Where the number of the individuals/households meeting the housing institution's or the developer's minimum selection criteria is greater than the number of units supplied in the project under consideration, further selection of individuals/households on the housing institution' or developer's list should occur in order of registration date using the composite registration /age date index as a proxy for the registration date.

2.6.5 Provision of Service Sites

1. Service sites can be provided on the following cases:
 - a. Service sites can only be provided to applicants adhering to subsidy qualification criteria.

- b. Service sites to be provided to beneficiaries qualifying in terms of age (35 years and older) and earning less than R3500
 - i. The following provision apply - Sites can be allocated and transferred to beneficiaries for “free” when earning above R3 500 – R7 000 BUT the beneficiary must provide proof from financial institutions of non-qualification for bond - If an applicant qualifies the plot must be purchased using FLISP subsidy and finance by a loan
 - ii. In the case of applicant earning more than R7 000 up to R15 000, applicants must finance the property through FLISP.
 - iii. This will be once off assistance to the beneficiary

3 SELECTION THAT FALLS OUTSIDE THE SCOPE OF THIS POLICY

3.1 Emergency Housing

Selection of beneficiaries is done according to the provisions of the Emergency Housing policy (NATIONAL AND PROVINCIAL) and it provides relieve to the plight of households who find themselves in emergency situations with exceptional housing need e.g. those affected by severe flooding and devastating fires.

DE GEWELS OLD AGE FACILITY

Selection of beneficiaries are done according to Council Resolution 7/11-05. A separate waiting list should be compiled through advertising in the local newspapers annually. The following filter should be used:

- a) **Ordering according to date of registration**
- b) **Selection of households who are in “desperate need”**
- c) **Randomised selection**

Military Veterans

Additional report that was submitted to Council PFCS 8/4/15 Circular C6 of 2015 must incorporated in the policy:

“Implementation of the Military Veterans Housing Initiative in the Western Cape”

