

**PORTFOLIO COMMITTEE :**

**COMMUNITY SERVICES**

**Chairperson :**

**Cllr M Opperman**

**Committee Members :**

**Ald M Ponoane, Cllrs L Beyers-Cronje,  
N Nqinata & L Ndevu**

**PORTEFEULJEKOMITEE :**

**GEMEENSKAPSDIENSTE**

**Voorsitter :**

**Rdl M Opperman**

**Komiteelede :**

**Rdh M Ponoane, Rdle L Beyers-Cronje,  
N Nqinata & L Ndevu**

**COMMUNITY SERVICES PORTFOLIO COMMITTEE**

**GEMEENSKAPSDIENSTE PORTEFEULJEKOMITEE**

**18 AUGUST 2015**

**I N D E X**

**ITEM**

**PAGE  
NUMBER**

**APPLICATIONS FOR LEAVE OF ABSENCE**

**STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE  
CHAIRPERSON**

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Portfolio Committee : Community Services  
18 August 2015  
(Also the agenda for the Mayoral Committee Meeting : 26 August 2015)**

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**1.  
OVERSTRAND MUNICIPALITY: SELECTION OF HOUSING BENEFICIARIES IN  
OWNERSHIP-BASED SUBSIDY PROJECTS POLICY**

17/5/5/2/4

R Williams

(028) 3138029

Corporate Head Office

24 July 2015

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**1. Executive Summary**

To review the Overstrand Municipality: Housing Selection Policy for Beneficiaries in Ownership-based Subsidy Projects.

**2. Service Delivery and Budget Implementation Plan - IGNITE**

Community Services  
Housing Administration

**3. Compliance with Strategic Priorities**

Provision of democratic, accountable and ethical governance  
Provision and maintenance of municipal services  
Creation and maintenance of a safe and healthy environment  
The encouragement of structured community participation in the matters of the municipality

**4. Delegated Authority**

None

**5. Legal Requirements**

- Constitution of the Republic of South Africa, 1996
- Housing Act, No. 107 of 1997
- National Housing Code, 2009

**6. Background/Discussion**

**Background**

In terms of Circular no: C10 of 2015, dated 20 May 2015, from the Western Cape Department of Human Settlements, "Age-based prioritisation" has been introduced as a new element of the Provincial Framework Policy for the Selection of Housing Beneficiaries in the ownership-based subsidy projects. The above mentioned department expected municipalities to apply the age-

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based prioritisation with immediate effect, which was impossible at the time due to the fact that local public consultation has not been done.

**Discussion**

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

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

**7. Financial Implications**

None

**8. Staff Implications**

None

**9. Comments from other Departments, Divisions and Administrations**

None

**10. Annexures**

Annexure A: Overstrand Municipality: Selection of Housing Beneficiaries in Ownership-based Subsidy Projects Policy.

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Annexure B: Circular no C10 of 2015: The prioritisation of households headed by middle-aged and elderly individuals in the selection of beneficiaries in greenfields projects for ownership-based products.

**RECOMMENDATION TO THE COUNCIL:**

that the revised Overstrand Municipality Policy on Selection of Housing Beneficiaries in Ownership-based Subsidy Projects, to make provision for the age-based prioritisation of housing subsidy applicants with regard to green fields projects for households with head(s) (applicant/ and or spouse/cohabiting partner) that are 40 years or older, **be adopted** and **be implemented** with immediate effect.

**RESPONSIBLE OFFICIAL :**

**R WILLIAMS / F FRANS**

**TARGET DATE FOR IMPLEMENTATION :**

**WITH IMMEDIATE EFFECT**

**AGENDA of the  
Portfolio Committee : Community Services  
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(Also the agenda for the Mayoral Committee Meeting : 26 August 2015)**

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**1.  
OVERSTRAND MUNICIPALITY: SELECTION OF HOUSING BENEFICIARIES IN  
OWNERSHIP-BASED SUBSIDY PROJECTS POLICY**

**17/5/5/2/4**

**R Williams**

**(028) 3138029**

**Corporate Head Office**

**24 July 2015**

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**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON  
18 AUGUST 2015, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

**RECOMMENDATION TO THE COUNCIL:**

that the revised Overstrand Municipality Policy on Selection of Housing Beneficiaries in Ownership-based Subsidy Projects, to make provision for the age-based prioritisation of housing subsidy applicants with regard to green fields projects for households with head(s) (applicant/ and or spouse/cohabiting partner) that are 40 years or older, **be adopted** and **be implemented** with immediate effect.

**RESPONSIBLE OFFICIAL :**

**R WILLIAMS / F FRANS**

**TARGET DATE FOR IMPLEMENTATION :**

**WITH IMMEDIATE EFFECT**



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

**Implementation: 26 August 2015**

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## DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**The Department:** The Western Cape Department of Human Settlements.

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

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

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

## 1. POLICY INTENT

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

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

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

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

## 2. POLICY FRAMEWORK

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

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

## 3. OVERALL POLICY PRINCIPLES

The following guiding principles are applicable to the policy:

- Equity:** all persons must have an equal opportunity in applying for housing assistance.
- Transparency:** any person must be able to have reasonable access to the Beneficiary Selection Policy and the process of selecting and ranking database entries for a housing opportunity.

<b>Functionality:</b>	the policy must be practical and understandable.
<b>Social cohesion:</b>	the spirit of this policy is to minimise social conflict and optimise development progress.
<b>Access:</b>	the Beneficiary Selection Policy must be applied to enhance easier access to housing opportunities.
<b>Integration:</b>	the Beneficiary Selection Policy should be implemented in a manner that promotes integration within the municipality.

#### **4. MUNICIPAL HOUSING DEMAND DATABASE**

##### **4.1 Assigning registration dates to new entries on the database**

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

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

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

##### **4.2 Data fields on the database**

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

###### **4.2.1 For households with one adult in the household core:**

- a) Name and ID number of the adult
- b) Registration date
- c) Residential address (according to standardised naming convention operational in the municipality)
- d) Location preference (in terms of project towns recorded on the housing demand database)
- e) The names and ID numbers of all permanently disabled members in the household, where permanent disability is defined and determined by the South African Social Security Agency (SASSA)).

- f) Number of dependents within the household, and their ID numbers.
- g) Whether a current or former farm resident, address of farm and, if so, employer/farmer where applicable and period and dates of residence on the farm
- h) Gross monthly income
- i) Marital status
- j) Whether owns property or not
- k) Whether will apply for a mortgage and a FLISP subsidy
- l) Telephone/cell phone contact number

#### 4.2.2 For households with two adults in the household core,

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

#### 4.2.3 Location preference data field

Individuals and households registered on the database may change their town of preference at any time with notice and without any impact on their dates of registration, provided that requests to change the town of preference occur

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within a format determined by the municipality and within 10 days before the database is used for selection.

#### **4.3 Supporting documentation for registration and updating**

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

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

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

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

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

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

##### *4.3.3 Farm resident*

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

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

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

## **5 APPLICATION OF POLICY**

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

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

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

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

### **5.1 Mechanisms that apply to more than one project component type**

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

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

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

The balancing will seek to equalise the relative access each group enjoys to basic, on-site municipal services. To equalise, the distribution opportunities provided over the period across each of the two groups will be in proportion to



number of households without access to basic, on-site service within each group. The municipality will determine the level of service threshold for "acceptable access" for people living in formal overcrowded conditions to enable this balancing.

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

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

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

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

#### *5.1.3 Registration date ordering*

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

### **5.2 Green-field, non-relocation project components**

#### **a) General Mechanisms**

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

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

### **Regional towns**

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

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

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

### **Non-regional towns**

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

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

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

Map 1 indicates the geographic extent of the catchment areas.

### **b) Age-based prioritisation**

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

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

### c) Quotas

#### **Quota for farm residents including farm workers**

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

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

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

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

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

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

### **Quota for households affected by permanent disability**

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

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

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

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

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

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

### **5.3 Relocation project component type**

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

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

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

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

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

**5.4 Institutional and affordable housing project component type**

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

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

*5.4.2 Projects open to all qualifying across the municipality*

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

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

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

**6. INSTITUTIONAL ARRANGEMENTS**

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

## **6.1 Council**

The Council is responsible for:

- adopting and reviewing, by resolution, the municipality's Selection Policy.
- monitoring the implementation of the Selection Policy.
- determining the selection method for relocation project components
- take cognisance of all potential beneficiaries for the specified project.

## **6.2 Municipal manager**

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

### **6.2.1 Director: Community Services**

The Director has the following roles:

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

### **6.2.2 Manager Housing Administration**

The Manager Housing Administration has the following general roles:

- Generally ensure that all processes required for selection in the project component as laid out in policy occur.
- Make recommendations to the relevant Director on how the Selection Policy should be implemented in the project component
- Submit other information about the project to the relevant Director for Housing as deemed necessary by the latter to enable decision-making.

- Establish the Project Steering Committee/ Social Compact, where applicable.
- With his/her support staff, manage the process of public comment on preliminary lists (refer to 6.4), deal with queries of the public directed toward him/her, where possible by referring any queries to the appropriate officials, and informing members of the public about the responses.
- Inform the relevant Director about subsidy recipient to enable the Director to keep track of the status of entries on the database, inter alia, the names of the adults in the household core, the Erf number and handover date should be provided.

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

### **6.2.3 Project Steering Committee/Social Compact**

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

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

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

### **6.2.4 Database Administration**

. The role of Housing Administration is to:

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

### **6.3 Contractor or implementing agents**

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

### **6.4 Channel for queries about preliminary selection**

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

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

### **6.5 Communication of the Policy**

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



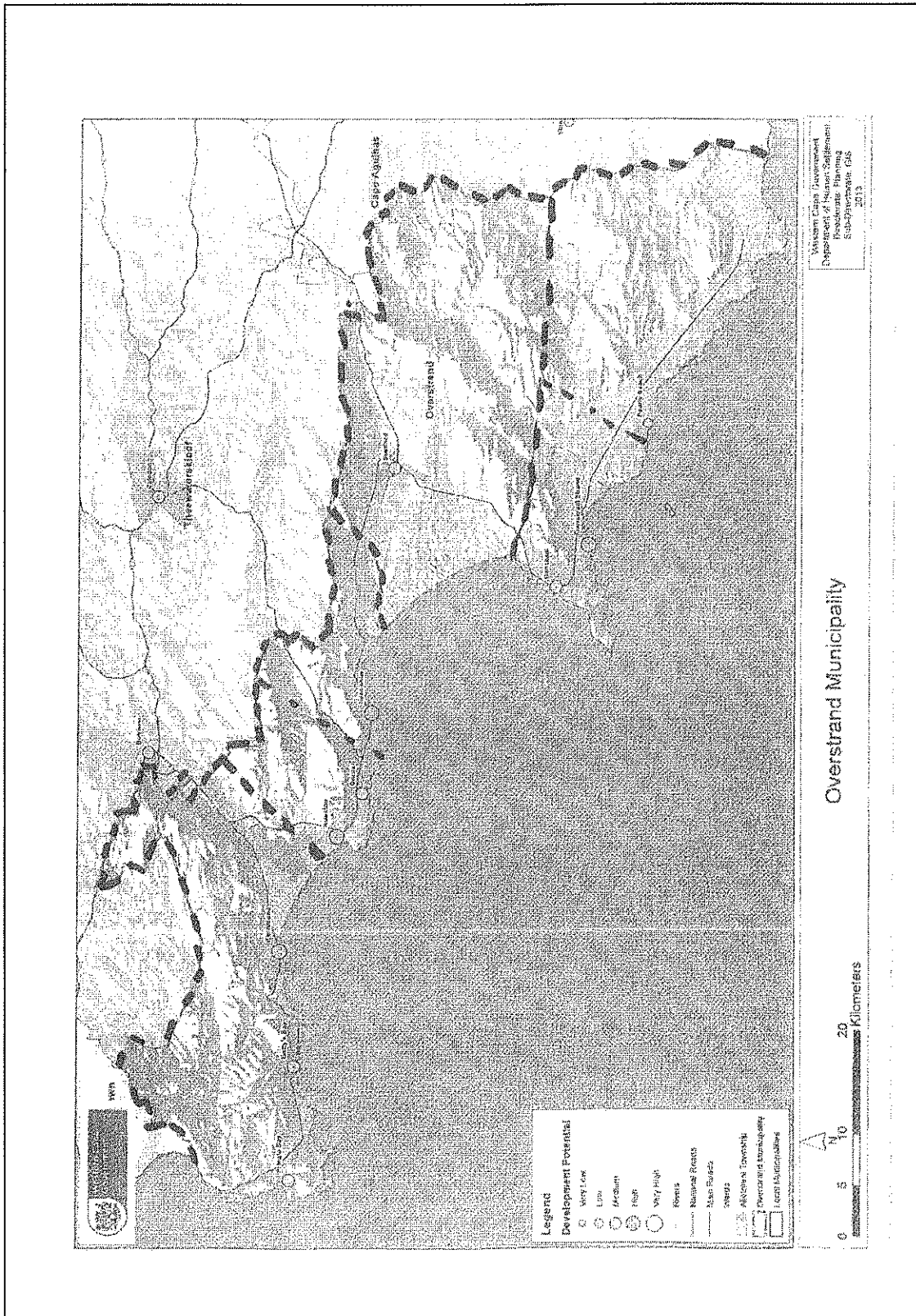
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**Annexure 1 – Project Towns, associated suburbs and settlements, and regional towns**

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

**Map 1 - Extent of catchment areas**

Policy Sections:	Community Services: Housing Administration
Current update:	26 August 2015
Previous review	29 April 2015
Approved by Council:	25 June 2014





Mr Thando Mguli  
HOD: Western Cape Department of Human Settlements  
E-mail: thando.mguli@westerncape.gov.za  
Tel.: 021 483 2955 Fax: 021 483 2589

1/12

**Reference number:** 15/P  
**Enquiries:** P Whelan

20 May 2015

**TO: ALL MUNICIPAL MANAGERS IN THE WESTERN CAPE**

**CIRCULAR NO: C10 OF 2015**

**THE PRIORITISATION OF HOUSEHOLDS HEADED BY MIDDLE-AGED AND ELDERLY INDIVIDUALS IN THE SELECTION OF BENEFICIARIES IN GREENFIELDS PROJECTS FOR OWNERSHIP-BASED PRODUCTS**

#### **1 Purpose of Circular**

The attached guidelines provide municipalities with details about how to conduct "age-based prioritisation" in the selection of beneficiary households for ownership-based subsidy products in greenfields projects. "Age-based prioritisation" is an element of the "Western Cape Provincial Framework Policy for the Selection of Housing Beneficiaries in ownership-based subsidy projects" (the Framework Policy).

The guidelines also provide more detail on how registration date ordering – a key basis for selecting beneficiaries for housing projects provided for in the Framework Policy – should occur. Attention is drawn to provisions in the Framework Policy that municipalities should use to address claims made by elderly individuals that their registration dates have been altered to their disadvantage or that they were not properly registered by their municipalities in the past.

The purpose of this Circular is to alert municipalities to the guidelines and provide an overview of the guidelines.

#### **2 Guidelines for greenfields projects**

Municipalities should continue to apply beneficiary selection in greenfields housing projects according to their approved beneficiary selection policies – those policies which are consistent with the Framework Policy. However, certain modifications should be made to the approved policies to achieve consistency with the attached guidelines.

*Circular C10 of 2015: The prioritisation of households headed by middle-aged and elderly individuals in the selection of beneficiaries in greenfields projects for ownership-based products*

## 2.1 Registration date ordering and minimum registration period

Municipalities should note that registration date ordering remains a key basis for selecting beneficiaries for greenfields housing projects. Within any sub-category of household that may be used in selection in greenfields projects, households should be selected in registration date order, from the earliest date of registration to the most recent. In terms of the selection policies approved by many municipalities, the sub-categories include catchment areas and different kinds of quotas. Selection policies generally include, firstly, a quota to prioritise households in desperate need – i.e. a quota for **households affected by permanent disability**. Secondly, quotas to address systematic exclusion that might arise due to poor registration practices in the past – **households with aged people**, and households with **elderly farm residents** are often included.

The guidelines introduce a new element of registration date ordering: households selected for ownership-based opportunities should have been registered on the municipality's database for at least three years prior to selection. This measure is termed the "minimum registration period". The minimum registration period should be applied except where households are selected via a quota for elderly farm residents or for contribution-based subsidies e.g. the Finance Linked Individual Subsidy Programme (FLISP subsidy). The reasons for the exceptions are explained in the guidelines.

## 2.2 Age-based prioritisation

The attached guidelines indicate that when conducting age-based prioritisation municipalities should prioritise subsidies in greenfields projects for households with heads that are 40 years or older. Municipalities should select heads that are 40 years or older for housing subsidies, except in the cases where:

- a) A household is selected via the "quota for households affected by permanent disability", in which case age-based prioritisation 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-dependent adult being 40 years or older within the prescribed catchment areas that meet the minimum registration period of three years.

In the case of c) 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. In other words, once the 35 to 39<sup>1</sup> year old cohort has been exhausted on the database for the relevant catchment areas, the municipality should select from the 30 to 34 year old cohort, and so on until all available opportunities have been filled.

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<sup>1</sup> 35 ≤ cohort < 40

*Circular C10 of 2015: The prioritisation of households headed by middle-aged and elderly individuals in the selection of beneficiaries in greenfields projects for ownership-based products*

When submitting subsidy applications to the Department for approval, the municipality should indicate separately which households fall into categories a), b) and c) above.

#### **4. Date of implementation**

The guidelines for age-based prioritisation should, as a general rule, apply in all greenfields projects in which the approval of subsidies has yet to commence.

The Department's Regional Directors will review approved projects on a case-by-case basis to determine whether the guidelines for age-based prioritisation should be applied.

The Department trusts that these points of clarity regarding age-based prioritisation in greenfields projects will facilitate service delivery.

Kind regards

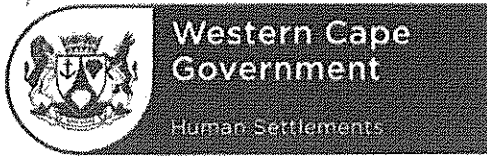


MR THANDO MQULI

HEAD OF DEPARTMENT: WESTERN CAPE DEPARTMENT OF HUMAN SETTLEMENTS

DATE: 21 May 2015

B 4/12



REFERENCE: 15/1/1  
ENQUIRIES: MR P WHELAN

**TO: THE HEAD OF THE WESTERN CAPE DEPARTMENT OF HUMAN SETTLEMENTS**

**THE PRIORITISATION OF HOUSEHOLDS HEADED BY MIDDLE-AGED AND ELDERLY INDIVIDUALS IN THE SELECTION OF BENEFICIARIES IN GREENFIELDS HOUSING PROJECTS FOR OWNERSHIP-BASED PRODUCTS**

**1 Purpose of this memo**

The purpose of this memo is to obtain approval from the Head of the Western Cape Department of Human Settlements on the guidelines contained within, regarding age-based prioritisation in the selection of beneficiaries.

**2 Objectives and scope of the guidelines**

These guidelines provide municipalities with details about how to conduct "age-based prioritisation" in the selection of beneficiary households for ownership-based subsidy products in greenfields housing projects. The prioritisation of households headed by middle-aged and elderly individuals in the selection of beneficiaries in subsidy projects is referred to in short as "age-based prioritisation".

**Ownership based products** are subsidy products that are transferred to a subsidy beneficiary as part of the benefits of the subsidy. To receive these subsidies, households need to qualify for the products in terms of provisions laid out in the National Housing Code.

A **greenfields project** is erected on a greenfields 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).

The selection of housing beneficiaries in the Western Cape for greenfields projects is bound by the "Western Cape Provincial Framework Policy for the Selection of Housing Beneficiaries in ownership-based subsidy projects" (the Framework Policy), approved by the Provincial Minister of Human Settlements in August 2012, and by the Provincial Cabinet in November 2013.

*Guidelines: The prioritisation of households headed by middle-aged and elderly individuals in the selection of beneficiaries in greenfields projects for ownership-based products*

Section 4.2.2 of the Framework Policy provides for **age-based prioritisation in selection**. The provision states:

*Where there is little correlation between registration dates and the age of the individuals or heads of households, municipalities must ensure that the selection of beneficiaries occurs in a manner that is **skewed towards elderly and middle aged individuals or households headed by elderly or middle aged persons in a registration date ordered list**.*

Aged-based prioritisation for greenfields projects and UISP projects as defined in these guidelines occurs through the household head. Section 3 defines what is meant by "household head".

Section 4 indicates the parts of the Framework Policy that need to inform age-based prioritisation.

Section 5 gives the details of the guidelines for greenfields projects.

Finally, Section 6 gives the implementation date for the guidelines.

### **3 Definition of head of household**

For the purpose of these guidelines, the head is taken to be the oldest non-dependent adult in a household qualifying for a housing subsidy. In the context of the Housing Code, a non-dependent adult is an adult who has financial dependents or is either of the spouses in a legal marriage or co-habitation arrangement (who may or may not have financial dependents).

The Framework Policy sometimes refers to "core households" and "adults in core households" to define household heads for the purposes of beneficiary selection. A core household is defined as the minimum sized household eligible for a housing subsidy, and so "adults in the core households" are equivalent to non-dependent adults in a qualifying household.

### **4 Relevant measures in the Framework Policy for age-based prioritisation**

This section outlines the Framework Policy provisions that need to be taken into account when conducting age-based prioritisation in the selection of beneficiaries for greenfields projects.

#### **4.1 Measures pertaining to greenfields projects**

Firstly, age-based prioritisation needs to take account of the primary basis for the selection of beneficiaries given in the Framework Policy, which is laid out in 4.1.1a):

*Registration date ordering is the primary criterion in the selection of beneficiaries.*

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*Guidelines: The prioritisation of households headed by middle-aged and elderly individuals in the selection of beneficiaries in greenfields projects for ownership-based products*

Registration date ordering complies with international best practice of using "first come, first served" principles for rationing benefits when the benefits are of high value, their supply is constrained and demand for them is high – as in the subsidy housing context in South Africa.

This measure also prevents the situation of elderly household heads registering in a municipality for a housing opportunity simply to gain quick access to a housing subsidy. This principle is important because municipal residents are likely to perceive the selection of households who register opportunistically to gain access to a subsidy as particularly unfair.

Secondly, the primacy of registration date ordering in selection is echoed in Section 4.1.1 c) of the Framework Policy, which makes explicit reference to registration date ordering in the context of age-based prioritisation in selection. The provision states:

*Ordering by the age of adults in the core household is a permissible basis for selection, although when used, it must be used in combination with registration date ordering.*

Thirdly, section 4.2.1 of the Framework Policy provides further details of the limits of age-based prioritisation in selection. The provision states:

*Municipalities must prioritise individuals and households in desperate need in a registration date ordered list. Within the category of individuals or households in desperate need, earlier registration dates should be prioritised.*

*A desperate need is a severe need that endures over time as opposed to an acute episode of desperation and hardship. Households in desperate need experience a desperate situation due to their lack of services and shelter in comparison to other needy 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.*

In other words, measures used to prioritise households in desperate need should not be subject to age-based prioritisation. Age-based prioritisation is barred in these measures because, by definition, the benefits flowing to households in desperate need do not vary significantly according to the age of the head of the household.



*Guidelines: The prioritisation of households headed by middle-aged and elderly individuals in the selection of beneficiaries in greenfields projects for ownership-based products*

Fourthly, age-based prioritisation needs to take account of measures in municipal selection policies to promote the systematic inclusion of eligible groups. The provisions are laid out in 4.1.2 of the Framework Policy:

*The municipality should consider whether the application of the selection criteria as laid out in its policy will lead to all eligible groups being included within housing projects, and should adjust the policy pre-emptively to ensure that selection is inclusive.*

Measures in addition to those aimed at prioritising households in desperate need may be needed to ensure inclusivity, especially in the light of uneven historical registration practices across and within some municipalities. If these additional measures are not introduced in some municipalities, households with elderly people and households with elderly farm residents could face systematic exclusion due to poor registration of these groups in the past.

Fifthly, the Framework Policy covers the selection of households in institutional and affordable housing projects (generally funded by the Finance Linked Individual Subsidy Programme (FLISP) subsidies). Given that beneficiaries of the institutional and FLISP housing subsidies are required to make significant financial contributions towards the cost of the subsidy unit, it is not necessary or appropriate to apply age-based prioritisation in selecting beneficiaries for these subsidies.

#### **4.2 Households headed by elderly individuals with late registration dates or omitted from the municipality's housing demand database**

It has come to the attention of the Department and the Provincial Minister of Human Settlements that some elderly individuals claim that their registration dates have been altered to their disadvantage, or that they were not properly registered by their municipalities in the past.

Municipalities are reminded of a number of provisions in the Framework Policy to address such claims. According to Section 5.4.1, a municipality facing the claims described above should establish a channel through which affected households can present evidence should they wish to have their registration date (designated by the municipality on its housing demand database) changed, or an omitted registration added. This channel, if required, should be established by provisions in the municipality's beneficiary selection policy. These provisions should, amongst other things, lay out the processes by which the municipality will adjudicate claims.

Section 4.1.4 of the Framework Policy stipulates that any claims made by individuals or households (including claims about registration dates) must be verified by means of objective information. Such information must be independent of beneficiaries or potential beneficiaries, and the municipal officials responsible for conducting the selection process.

*Guidelines: The prioritisation of households headed by middle-aged and elderly individuals in the selection of beneficiaries in greenfields projects for ownership-based products*

Section 4.1.1d) indicates that, as a last resort, a municipality can use the length of residence of individuals or households in that municipality as a proxy for a registration date, provided that individual or household claims are verified using evidence that is objective and independent (as described in Section 4.1.4 of the Framework Policy). This Section allows a municipality to entertain claims about altered or omitted registration dates made by an individual (or households) based on evidence relating to the length of time the individual has resided in the municipality, if no evidence about registration can be found.

## **5 Provisions for age-based prioritisation in greenfields projects**

The principles which municipalities should follow when undertaking age-based prioritisation in the selection of beneficiaries for greenfields projects are listed in this section.

### **5.1 Households headed by persons who are 40 years or older should be prioritised for the receipt of housing subsidies subject to provisions 5.2 to 5.8 below**

Municipalities should only select households with heads that are 40 years or older for housing subsidies unless:

- i) the household is in "desperate need" **and** has been selected through a mechanism designed to prioritise households in desperate need – for example a quota for households affected by permanent disability (see 5.5), or
- ii) the municipality's housing demand database no longer contains households with heads of 40 years or older who meet the minimum registration period guidelines (see 5.3). In cases where the database has run out of suitable entries, the municipality should select from households with heads that are successively younger than 40 years of age (see 5.4).
- iii) the household is selected for an Institutional or FLISP subsidy (see 5.7)

When submitting subsidy applications to the Department for approval, the municipality should indicate separately which households fall into categories i), ii) and iii) above.

### **5.2 Registration date ordering remains the primary basis for selection**

In line with the Framework Policy, registration date ordering remains a key basis for selecting beneficiaries for greenfields housing projects. Within any sub-category of household that may be used in selection, households should be selected in registration date order, from the earliest date of registration to the most recent. The subcategories that tend to be used in selection in the Western Cape are quotas, which can include age-based quotas, and geographically defined catchment areas based on the place of residence of the household.

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Households with heads 40 years or older should thus be selected for the available subsidies in a project in registration date order. (Selection in all the quotas used should take place in this way). Should the database be exhausted of households with heads who are 40 years or older, selection in age cohorts younger than 40 years should also occur in registration date order (see 5.4).

**5.3 All households selected should have been registered for at least three years in the municipal area on the municipality's housing demand database before selection occurs,<sup>1</sup> except households selected via mechanisms designed to cater for the lack of registration access for farm residents**

Households with heads of 40 years or older make up between 30% and 60% of entries on municipal housing demand databases. Many of these entries will not qualify for a subsidy. In some areas, therefore, the number of suitable database entries may be somewhat limited and municipalities may be forced to draw on entries with very recent registration dates. In order to avoid a situation in which households register simply to take advantage of available spare opportunities in a project, municipalities should only select households who have been registered on the database for some period of time. As indicated above, the selection of households who register opportunistically is likely to be seen by municipal residents as being grossly unfair.

Given that municipal residents come to know about housing projects approximately three years before service installation for the project starts, the acceptable minimum period of registration is taken as three years before service installation. Thus, all households selected for a project should have been registered in the municipal area for three years before selection in that project starts.<sup>2</sup>

As municipalities are still largely in the process of extending registration to farm residents, this minimum registration period measure will not apply to measures aimed at redressing the limited access to registration facilities and processes that farm residents have historically faced<sup>3</sup>, in municipalities where such methods are necessary. The minimum registration period measure should also not apply to contribution-based subsidies, like the FLISP and Institutional Subsidies.

<sup>1</sup> In most projects, beneficiary selection occurs at approximately the same time as, or just before, service installation occurs.

<sup>2</sup> The three year minimum registration period is feasible because the provincial database platform was established three years ago in 2012. The database platform provided municipalities and households across the province with a secure and organised base for registering households. Across the province, 2012 was the first time that all households residing in towns had relatively good access to registration facilities.

<sup>3</sup> For example, a quota for elderly farm residents who have been resident on farms for a defined period of time.

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**5.4 Select from successively younger cohorts of household heads registered on the database in one year increments (starting from 40 years) and registration date order if run out of entries on the database**

During the selection process for a greenfields project, and within the catchment areas specified in the municipal selection policy for that project, in cases where the municipality has run out of qualifying households with heads of 40 years or older, the municipality 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 restriction explained in 5.3 should be applied. Once the 35 to 39 year old cohort (right up to but excluding 40 years of age<sup>4</sup>) has been exhausted on the database for the relevant catchment areas, the municipality should select from the 30 to 34 year old cohort, and so on until all available opportunities have been filled.

**5.5 Households prioritised because they are in "desperate need" should not exclusively fall within the age cohort of 40 years or older**

The Department has also advised that municipalities use a fixed quota for households affected by permanent disability<sup>5</sup> to prioritise households in desperate need, and that they select beneficiaries for this quota in registration date order.

The selection for this group should not be bound by the age of the head of the household, except to the degree that the head should be old enough to qualify for a housing subsidy.

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<sup>4</sup> 35 ≤ cohort < 40

<sup>5</sup> The suggested definition for households affected by permanent disability is as follows:

- i. A household with at least:
  - one adult member (in the household core) having a permanent disability or
  - a financial dependent with a permanent disability
 such that he/she receives a permanent disability grant or would receive a permanent disability if his/her income fell within the income threshold for the permanent disability grant. If the adult member is older than the threshold age for the Older Person's Grant and received a permanent disability grant before reaching the threshold age for the Older Person's Grant, the household will also fall into category i.
- ii. A household with an adult caregiver of a permanent disabled minor who is in the core of the household or who is financially dependent on the core and who receives a Care Dependency Grant.

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**5.6 Measures to take account of uneven historical access to registration processes apply, subject to provisions 5.1 to 5.5 laid out above**

The Framework Policy stipulates that municipalities' beneficiary selection policies must promote the systematic inclusion of eligible groups. In a context where registration was historically uneven, municipalities may require specific mechanisms to ensure inclusivity. The Department has advised municipalities to use a system of quotas defined for household types that risk systematic exclusion due to poor registration practices in the past, if necessary (e.g. households with aged people and households with elderly farm residents). The Department has also advised municipalities to use catchment areas within their municipal areas to control for historical differences in registration across towns.

Municipalities have put the above measures in place through council-approved selection policies. Municipalities should continue to use all these measures as laid out in their selection policies. Where used, the quotas for farm residents and the elderly can be retained as they specifically exclude households with heads below 40 years of age. Catchment areas should also be retained. The opportunities in a housing project for the general, non-quota group of entries should be allocated to households with heads who are 40 years or older, subject to 5.2, 5.3 and 5.4.

The prioritising of household heads who are 40 years or older for selection does not pertain to measures aimed at prioritising households in desperate need in selection (see 5.5)

**5.7 Heads of households selected for contribution-based subsidies (e.g. Institutional and Financed Linked Individual Subsidy Programme (FLISP) opportunities) should not fall exclusively within the age cohort of 40 years or older, and the minimum registration period should not apply to such households**

Given that beneficiaries of the contribution-based subsidies (e.g. Institutional and FLISP housing subsidies) are required to make significant financial contributions towards the cost of the subsidy unit, the guideline that selected households should be 40 years or older should not be applied to these subsidies. The minimum registration period of three years should not apply to these subsidies for the same reason.

**5.8 All heads of households in PHP consolidation projects within IRDP projects and for which subsidy approvals have commenced after these guidelines have come into effect should be 40 years or older subject to all the principles above**

Given that in current PHP projects that fall within in greenfields projects, services are installed through the IRDP subsidy programme, the selection of beneficiaries for ownership opportunities that end up being delivered through PHP projects will automatically occur according to all the principles outlined above.

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*Guidelines: The prioritisation of households headed by middle-aged and elderly individuals in the selection of beneficiaries in greenfields projects for ownership-based products*

#### **6 Date of implementation of the provision for age-based prioritisation**

The guidelines for age-based prioritisation should, as a general rule, apply in all greenfields projects in which the approval of subsidies has yet to commence.

The Department's Regional Directors will review approved projects on a case-by-case basis to determine whether the guidelines for age-based prioritisation should be applied.

**Guidelines Approved/~~Guidelines Not Approved~~**



**MR THANDO MGULI  
HEAD OF THE WESTERN CAPE DEPARTMENT OF HUMAN SETTLEMENTS**

DATE: 21 May 2015