



KWAZULU-NATAL PROVINCE

HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA

IMPLEMENTATION GUIDELINE FOR THE DISPOSAL OF SERVICED SITES

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ABBREVIATIONS

CBD - Central Business District

IDP - Integrated Development Plan

MEC - Member of Executive Council

SPUMA - Spatial Land Use Management Act

SG - Surveyor Generals Office

DEFINITIONS

“Disabled Person”: The National Department of Human Settlements, Housing Definitions defines Disabled Persons as a person possessing physical or mental conditions that incapacitates them, making it difficult or impossible to earn a living through gainful employment.

“Aged”: The Older persons Act 13 of 2006 defines the Aged/Older person as a person who, in the case of a male, is 65 years of age or older and in the case of a female, is 60 years of age or older.

“Service Sites”: The National Department of Human Settlements, Housing Definitions defines service sites as a stand/plot/erf/site in respect of which basic services have been provided.

“Vulnerable Groups”: The South African Human Rights Commission, Labor Protocol defines/categorizes Vulnerable groups as children, children with disabilities, women, older persons, historically disadvantaged racial groups and persons with disabilities, homeless persons and persons living in rural areas.

1. BACKGROUND:

In November 2018, the former Member of Executive Council (MEC) approved the Policy for the Disposal of Serviced Sites. In August 2020, the MEC approved the Disposal of Serviced Sites at Market Value to Persons earning between R22 000 and R40 000. These policies addressed aspects that facilitate an integrated human settlements delivery mechanism by encouraging the sale of service sites at affordable prices to qualifying beneficiaries who are willing to build their own housing units. After the approval of these policies, there was a need for an implementation guideline, which would outline the process, and procedures that need to be followed when implementing same.

2. APPLICATION OF THE GUIDELINE:

The guideline is applicable to

- a) land owned or vested by the Department
- b) land owned by the municipality and identified as part of their Integrated Development Plan (IDP) for development and construction
- c) privately owned land acquired by the Department

3. OBJECTIVES:

The objective of this policy guideline is to ensure that:

- a) the processes are clearly defined to obviate fraud related matters and to also avoid issues of criticism when dealing with the allocation of sites
- b) equal access to housing and secure individual ownership of identified service sites is validated and managed
- c) a fair, equitable, transparent and efficient allocation process in respect of the disposal of serviced sites is facilitated
- d) the constituted committee are advised on the allocations process which needs to be followed; and
- e) the land that has been identified for development and complies with the relevant legislation and municipal by-laws i.e. regarding the extent, type of property and zoning

4. QUALIFICATION CRITERIA:

4.1 The following main criteria are applicable:

- a) The gross household income must range from R3 501 to R40 000 per month
- b) R3 501 to R22 000: Build or construct own house or enter into a building contract with a department appointed service provider for home construction
- c) R 22 001 to R 40 000: Purchase a serviced site at fair market value. Only 30% of sites will be allocated to this income groups

- d) Priority will be given to vulnerable groups, which include the aged, disabled persons and military veterans
- e) The applicant must be lawfully resident in South Africa
- f) He or she is legally competent to contract (i.e. 18 years of age or older, legally married or legally divorced and of sound mind)
- g) Not yet benefited from government assistance: neither that person nor his or her spouse has previously derived benefits from the housing subsidy scheme, or any other state funded or assisted housing subsidy programme, divorced applicants will be considered on the merits of each case. The MEC will apply his/her discretion when granting approval to such cases
- h) Married or cohabiting: he or she is married (in terms of the Civil Law or in terms of a Customary Marriage) or habitually cohabits with any other person
- i) Single with Financial Dependents: he or she has proven financial dependents. A financial dependent refers to any person who is financially dependent and who resides permanently with the applicant

4.2 In addition to the abovementioned criteria, the following special conditions will apply:

- a) Only one application per applicant will be allowed
- b) The applicant must prove that he/she will be able to sustain ownership
- c) The applicant must be genuinely in need of housing for residential purposes
- d) The applicant must commit to building a habitable dwelling on the site within a period of 5 years from the date of transfer. The municipality and the National Home Builders Registration Council must approve the dwelling
- e) A building clause requiring that, a habitable dwelling must be built within a period of five years will be included in the Deed of Sale and endorsed on the title deed of the property
- f) A reversionary clause will be endorsed on the title deed of the property, that if the property has not been developed within 5 years from date of purchase, it will revert to the department at the original selling price
- g) The applicant must be residing within the municipal jurisdiction for a minimum period of 5 years

5. IDENTIFICATION AND FEASIBILITY OF LAND:

The Integrated Planning Directorate will undertake the initial process of identification and feasibility of land Securing and Verifying Land Ownership. The process Plan for Serviced Sites will be as follows:

5.1 Land Identification Phase and Purchase where applicable:

The sites are identified using the following criteria:

- a) The location, size and shape of the site
- b) The site has to be in close proximity to the central business district (CBD), social and health facility
- c) The topography of the sites

- d) Zoning and land use of site
- e) Surrounding zoning and land uses
- f) Accessibility to the site
- g) Any Restrictions

Land is identified provincially, at a municipal and private levels. In the case of privately owned land, a Valuer is appointed to determine the fair market value of the site, and the site is then procured accordingly.

5.2 Planning Phase:

Where planning has not been completed a service provider is then appointed to conduct the following assessments on the sites:

- a) Prefeasibility studies and detailed planning
- b) Site analysis
- c) Geotechnical assessments
- d) Land surveying
- e) Environmental impact assessment
- f) Civil Engineering design for servicing
- g) Spatial Land Use Management Act (SPLUMA) application is prepared and submitted for approval (with approved layout plan, and designs)
- h) Lodgment of plans at the Surveyor General's (SG) office

5.3 Phase 3: Servicing

Service providers are appointed to facilitate the installation of services where land is not serviced

5.4 Phase 4: Top Structure Construction

The Department will appoint contractors from its database to facilitate the construction of various housing typologies for the targeted income groups. The Allocations Committee will thereafter facilitate the allocation of the sites using the stipulated criteria as in paragraph 4 above.

6. APPLICATION PROCESS:

Once the land for human settlements has been identified, serviced and made ready for construction the Supply Chain Management Directorate must publish an advertisement in the newspaper inviting applications for the purchase of the vacant sites. The advertisement must be placed in three local newspapers of the approved project areas jurisdiction. An example of an advertisement is attached as Annexure 1.

The said advertisement must be specific in terms of the following aspects:

- a) The project area
- b) The qualification criteria
- c) Date of registration
- d) Department of Human Settlements office details for the application
- e) Municipal office details for the application
- f) Hours within which the application will received
- g) Certified documentation that is required from applicants: identity document, marriage certificate, divorce settlement, proof of income, letter from bank confirming credit worthiness, availability of funding and/or bond approval
- h) Affidavit (if applicable) confirming their need for housing

Applications must be made using the official application form attached as Annexure 2. The application will be received by the department's regional office and captured accordingly in a register which must include the specifics of the individual and also verified against the required checklist attached as Annexure 3. This will include verifying that all the requested documents are attached and certified.

The district/regional office will receive and stamp the applications with the date of opening and record these applications in a register. A letter of acknowledgement of receipt of the application must be drafted and sent out to all applicants. The district/regional office must then collate the information on the application form together with a copy of the register and report and thereafter submit it to the Allocations Committee. The Committee will then verify the abovementioned documents when received.

- a) The qualifying applicant's details, must be submitted to the subsidy administration directorate for the required verification and checks against the various data bases namely home affairs, deeds search, national housing subsidy data base etc.
- b) The unsuccessful applicants will then be informed in writing of the reason/s for not qualifying.
- c) Incomplete applications will be referred back to the relevant applicants requesting him/her to rectify the application. This could be related to incomplete information, lack of documentation proof or errors made on the application form etc.
- d) A prescreening report must be compiled by the allocation committees secretariat detailing the following:
 - i. Number of applications received
 - ii. Number of successful applications (which may include referred back applications)
 - iii. Number of unsuccessful applications (which may include referred back applications)

7. ALLOCATION PROCESS:

Within a period of 21 days the verification process must be completed by the subsidy administration directorate and the regional/district office must receive the requested information from the referred back application where after the committee will then consider all the application details, verifications and documentation before them and confirm whether the applicants have been successful.

The decisions taken by the committee must be captured in the minutes of the meeting. A submission to the MEC for approval will be drafted detailing the reasons for the selection of the successful applications together with attached copies of the applicant details and minutes of the committee meetings. The submission must also include details of the unsuccessful applicants and the reason/s thereof.

- a) **Successful Applications:** The list of all approved applicants must be compiled and displayed at the relevant municipal offices. These applicants must also be contacted telephonically and via an official letter indicating that they have been successful in securing a housing opportunity within the said project/area. He/she must also be requested to visit the municipal/departmental offices in order to finalise the official documentation necessary to finalise the agreement with the department. The letter should also request the applicant to bring the original documentation that was submitted with the application in order to finalize the allocation.

- b) **Unsuccessful Applications:** An appeal period of 14 days from the date of display should be allowed for written appeals/disputes to be dropped into a secure appeals box situated at the municipal offices. These applicants must be contacted telephonically and via an official letter indicating the reason why he/she has been unsuccessful in their application for a serviced site. The letter should also indicate that the unsuccessful applicant has the option to dispute the said decision. He/she must be advised of the process which needs to be followed in the case of a dispute, namely:
 - i. Give notice to the department of the intention to dispute
 - ii. The timeframe within which the dispute notice must be given
 - iii. The responsible person/directorate who should be contacted
 - iv. The necessary supporting documents which must accompanied by the notice of dispute
 - v. Dropping of the appeal in the secure box at the municipal office

8. DISPUTE RESOLUTION:

All disputes regarding unsuccessful applications and issues related thereto must be resolved through a specifically constituted Dispute Resolution Committee comprising of relevant officials and with the assistance of legal professionals when required. This committee must encourage the discontented applicant to submit evidence which supports and substantiates his/her reason for the dispute. Clear timeframes and dates must be given to the aggrieved party in order for the matter to be interrogated and evidence to be made available. The committee must make a finding based on the evidence before them and thereafter draft a report making recommendations to the MEC for approval. All unsuccessful applicants must be notified in writing of the outcome furnished with reasons for this decision. All successful applicants must be informed in writing of the outcome and further advised of the process which needs to be followed.

9. ALLOCATION COMMITTEE:

The membership of the Allocation Committee must comprise of the following directorates from the Department of Human Settlements:

- a) Policy, Research and Product Development
- b) Subsidy Administration
- c) Integrated Planning
- d) Property Management
- e) Project Management
- f) Legal Services

An Allocation Committee comprising of the abovementioned directorates must be established in order to oversee all selection and allocation processes which need to be undertaken as per the relevant legislation and these guidelines. The Committee must determine and supervise the allocation of serviced sites and propose solutions to reach consensus on applications and allocations thereof. These functions must be undertaken in a fair, transparent and equitable manner having taken into account all pertinent factors which include levels of priority, date of application, adequacy and completeness and compliance of applications received.

The appointed secretariat of the committee should ensure that the meetings of the allocations committee are planned timeously taking into account the availability of its members and further coincide with timeframes when feedback or additional information would be expected from regional/district offices. The secretariat should also ensure that minutes are timeously captured and included with the submissions to the MEC once a final decision has been made by the committee.

10. ROLES AND RESPONSIBILITIES:

10.1 Supply Chain Management:

- a) Ensure that all the relevant project details are contained in the advert
- b) The advert is made available to the specific regional office to confirm and check for errors and omissions prior to it being published in the newspaper.
- c) The advert is published within the project area's jurisdiction.

10.2. District/ Regional Offices:

- a) Ensure that advertisements are accurate and detailed.
- b) All applications are received and entered into a register.
- c) The applications together with a prescreening report is made available to the committee
- d) Referred back applications must be sent timeously to applicants and once received then handed over to the committee
- e) All applicants are given feedback once the committee has finalized the allocations
- f) Participate in the allocations committee

10.3. Subsidy Administration:

- a) Receive successful applications from allocations committee and thereafter authenticate and verify the applicant's information against the qualification criteria
- b) Provide feedback to the committee once verifications have been completed
- c) Provide documentary proof to the committee on verifications conducted per application whether successful or unsuccessful

10.4 Policy, Research and Product Development:

- a) Ensure that the guideline is accurately implemented
- b) Review the guideline to ensure that it is relevant and applicable to any changes in legislation and national human settlement policy
- c) Participate in the allocations committee

10.5. Integrated Planning:

- a) Identification of land
- b) Land feasibility
- c) Participate in the allocations committee

10.6 Project Management:

- a) Assessment of serviced sites
- b) Servicing of sites
- c) Participate in the allocations committee

10.7 Municipal Officials:

- a) Two representatives per municipality
- b) Liaise with integrated planning on land issues
- c) In the event of municipal owned land being disposed of these officials must participate in the allocations committee

11. MONITORING AND EVALUATION:

The Policy, Research and Product Development Component will undertake the monitoring and evaluation of this implementation guideline. The guideline will be reviewed after five years from the date of implementation or sooner if policy of legislative changes necessitate it.