



## **KZN Housing**

**uMnyango:  
wezeZindlu  
ISIFUNDAZWE SAKWAZULU-NATAL**

# ***HOUSING POLICY COMMUNIQUÉ***

*Circular No. 1/2007  
Dated : 24<sup>th</sup> JULY 2007*

***KZN Housing Office  
Private Bag X54367  
DURBAN  
4 000***

***Tel : (031) 336 5363/5366  
Fax : (031) 336 5358  
Website: [www.kznhousing.gov.za](http://www.kznhousing.gov.za)***

Department of Housing, uMnyango wezeZindlu, Departement van Behuising

***Umntu ngumuntu ngekhaya – Houses, Security & Comfort***

# ***INDEX***

<b>Confirmation of Information presented by the Office of the Auditor General</b>	<b>Page 1</b>
<b>Community Residential Units Programme</b>	<b>Page 2</b>
<b>Social Housing Programme Guidelines</b>	<b>Page 3</b>

# **Confirmation of Information presented by the Office of the Auditor General**

The following was presented by the Office of the Auditor-general to housing stakeholders on the 20<sup>th</sup> November 2006. This serves in an effort to respond to several requests from municipalities for clarity on the issues discussed:

## **1. Tranche Payments:**

- The Department must ensure that the municipality has all the internal controls to comply with the requirements of the Memorandum of Agreement (MOU) on tranche payments.
- The municipality must ensure compliance with all the terms of the agreement relating to payment and reporting.
- Checks will be made to determine if the monies were utilized in terms of the MOU and also used efficiently and effectively.

## **2. Payments out of the Municipal Housing Operating Account (MHOA)**

- Municipalities must ensure that they have prior approval by the MEC for Housing before utilizing any monies out of the MHOA.
- Checks will be done to verify if approval was obtained and if monies were used for the intended purpose and also if they were used efficiently and effectively.

## **3. Receipt of all Monies received in respect of Project Funding**

- All housing grants must in terms of the MFMA first be paid into the Primary Bank Account of the municipality.
- Municipalities may have secondary bank accounts into which such grants received may subsequently be transferred into after they have first been deposited into the Primary Bank Account.
- Another option would be for grants to be ring fenced in the accounting records of the municipality for the sole use of the project that is being funded.

## Community Residential Units Programme

At the Housing MINMEC of 16 November 2006, the Policy Framework and Implementation Guidelines for the Community Residential Units [CRU] Programme, was approved with effect from 1 December 2006.

The CRU Programme replaces the “National Hostel Re-development Programme” and the proposed “Affordable Rental Housing Programme”. The Programme is complementary to, and runs in parallel to the National Social Housing Programme but serves a different target market. This Programme should also be seen as an option in Phase 4 of the “Informal Settlement Upgrading Programme” and as a long-term option in cases where “Emergency Housing” has been provided by government.

The objective of the CRU Programme is to assist low income persons and households earning below R3 500.00 per month, who are not able to be accommodated in the formal private rental and social housing market. The Programme seeks to bridge the divide between social housing and lower markets which posed a significant problem.

The Programme will cover the following:

- a] Public hostels that are owned by Provincial Housing Departments [PHD's] and Municipalities;
- b] “Grey” hostels which are hostels that have both public and private ownership component due to historical reasons;
- c] Public housing stock that forms part of the enhanced Extended Discount Benefit Scheme but which cannot be transferred to individual ownership and has to be managed as rental accommodation by the public owner;
- d] Post 1994 newly developed public residential accommodation owned by the PHD's and Municipalities; and
- e] Existing dysfunctional, abandoned and/or distressed buildings in inner city or township areas that have been taken over by a municipality and funded by housing funds.

Hostels or residential accommodation owned by Provincial Housing Department's and Municipalities that are being solely used to accommodate public sector employees, will not form part of the CRU Programme.

The Policy Framework and Implementation Guidelines for the Community Residential Units [CRU] Programme may be requested from the Product Development Directorate of the KwaZulu-Natal Department of Housing, or accessed on the Department's website at, [www.kznhousing.gov.za](http://www.kznhousing.gov.za).

## **Social Housing Programme Guidelines**

In June 2005, Housing Minmec approved the “Social Housing Policy for South Africa: Towards an enabling environment for Social Housing Development”. In order to implement and operationalise the Social Housing Policy, a set of guidelines have been developed and were approved by Housing Minmec on the 16<sup>th</sup> November 2006.

The objective of the guidelines is the following:

- a) To provide a set of definitions of the key terms in the social housing process;
- b) To provide an overview of the social housing project process;
- c) To outline the interim process;
- d) To identify the main players in social housing and overview their roles and responsibilities;
- e) To provide guidelines for the demarcation, designation and monitoring of restructuring zones; and
- f) To provide guidelines on the five social housing grants, namely, the restructuring capital grant, provincial top-up grant, staff gear-up grant, project acquisition and feasibility grant, pre-accreditation support and the general capacity building grant.

The Social Housing Policy and Guidelines may be requested from the Product Development Directorate of the KwaZulu-Natal Department of Housing, or accessed on the Department's website at, [www.kznhousing.gov.za](http://www.kznhousing.gov.za).