



## **human settlements**

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Department:  
Human Settlements  
**PROVINCE OF KWAZULU-NATAL**

# **INTERIM COMMUNITY RESIDENTIAL UNITS (CRU) ALLOCATION GUIDELINE**

## Contents

1. INTRODUCTION: .....	3
2. LEGISLATIVE FRAMEWORK: .....	3
3. OBJECTIVES:.....	4
4. QUALIFICATION CRITERIA: .....	4
5. APPLICATION OF GUIDELINE: .....	5
6. PROCEDURE: ALLOCATION OF REFURBISHED/CONVERTED HOSTEL/CRU UNITS:.....	5
6.1 PROCESS FLOW FOR THE ALLOCATION OF REFURBISHED/CONVERTED HOSTEL/CRU UNITS:.....	7
7. PROCEDURE: ALLOCATION OF NEW CRU'S .....	8
7.1 PROCESS FLOW FOR THE ALLOCATION OF NEW CRU'S: .....	9
8. PROCEDURE FOR THE TRANSFER OF OCCUPANCY/LEASE AGREEMENTS: .....	10
8.1 PROCESS FLOW FOR THE TRANSFER OF OCCUPANCY/LEASE AGREEMENTS:.....	11
9. RESOLUTION OF DISPUTES: .....	12
10. EFFECTIVE DATE:.....	12
11. MONITORING AND EVALUATION: .....	12

## 1. INTRODUCTION:

For the past number of years the Department has invested a substantial amount of money for the provision of Community Residential Unit (CRU) Rental Stock to cater for low income earners and improve the quality of life of the households occupying the units.

With the progression of years the supervision and management of these CRU's has become increasingly challenging due to the varying local, social and economic environment affecting households living in these units as well as owners of the properties. These variations have steadily deteriorated the relationship between tenants and the owners, thereby unfavourably impacting on the reporting and resolving of tenant related matters.

The new CRU programme has now provided a clear outline when dealing with the various types of existing public sector residential units/accommodation. The programme targets low income households earning between R800 to R3500 per month and provides rental units and includes both historical hostels and the new CRU's.

## 2. LEGISLATIVE FRAMEWORK:

The Policy is informed by the following Legislation:

**Section 26 of the Constitution of the Republic of South Africa of 1996 provides that:**

- (1) Everyone has the right to have access to adequate housing
- (2) The State must take reasonable legislative and other measures, within its available resources to achieve the progressive realisation of this right.

**Section 36 of the Constitution of the Republic of South Africa of 1996 provides that:**

(1) The rights in the Bill of Rights may be limited only in terms of law of general application to the extent that the limitation is reasonable and justifiable in an open and democratic society based on human dignity, equality and freedom, taking into account all relevant factors, including

- a. the nature of the right;
- b. the importance of the purpose of the limitation;
- c. the nature and extent of the limitation;
- d. the relation between the limitation and its purpose; and
- e. less restrictive means to achieve the purpose.

(2) Except as provided in subsection (1) or in any other provision of the Constitution, no law may limit any right entrenched in the Bill of Rights.

## **National Housing Act 107 of 1997, Republic of South Africa:**

The purpose of the Act is to provide for the facilitation of a sustainable housing process and thus outlines the general principles applicable to housing development in all spheres of government. The Act also provides that any dwelling or residential erf which has passed onto Provincial Government and is suitable for letting or sale must be let or sold in accordance with any national programme. If not suitable for letting or sale in terms of any national programme then be let or sold at a fair market value or, if it is not possible to let or sell it, be leased or sold in the best interests of the State at a rental or price approved by the MEC.

## **Rental Housing Act 50 of 1999, Chapter 2 provides that:**

(1) Government must promote a stable and growing market that progressively meets the latent demand for affordable rental housing among persons historically disadvantaged by unfair discrimination and poor persons, by the introduction of incentives, mechanisms and other measures that:

- (i) Improve conditions in the rental housing market;
- (ii) encourage investment in urban and rural areas that are in need of revitalization and resuscitation; and
- (iii) correct distorted patterns of residential settlement by initiating, promoting and facilitating new development in or the redevelopment of affected areas

### **3. OBJECTIVES:**

The objective of this policy guideline is to facilitate an equitable, transparent and fair allocation of community residential units to occupants/qualifying beneficiaries by:

- i. Providing a system in determining the allocation procedure for community residential units;
- ii. Promoting equal access and secure rental housing opportunities to qualifying beneficiaries and;
- iii. Preventing fraud related matters and to avoid issues of criticism when dealing with the allocation of rental units

### **4. QUALIFICATION CRITERIA:**

The following criteria must be applied when assessing potential beneficiaries for assistance:

- i. The person is lawfully resident in South Africa;
- ii. 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);

- iii. The persons and/or households total income must range between R800 to R3500 per month
- iv. 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.
- v. 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.

## **5. APPLICATION OF THE GUIDELINE:**

The guideline is applicable to:

- i. Public hostels that are owned by the Department and municipalities;
- ii. Post 1994 newly developed Community Residential Units;
- iii. Existing dysfunctional, distressed and abandoned buildings within the inner city or township areas that have been taken over by the municipality and funded by the Department as CRU's.

## **6. PROCEDURE: ALLOCATION OF REFURBISHED/CONVERTED HOSTEL/CRU UNITS:**

The appointed social facilitator will undertake a survey of the existing tenants. The survey will provide the Department and the Municipality with the following information:

- i. number of persons occupying a unit
- ii. occupants current income
- iii. number of years that the occupant has been living in the unit i.e. together with evidence supporting same e.g. utility bill

The social facilitator will then assist and guide the Department/Municipality undertake the beneficiary verification and administration process and ensure that there are checks and balances in place so that persons who have been relocated during the conversion/refurbishment period are accounted for. Tenants are evaluated based on their affordability and qualification criteria.

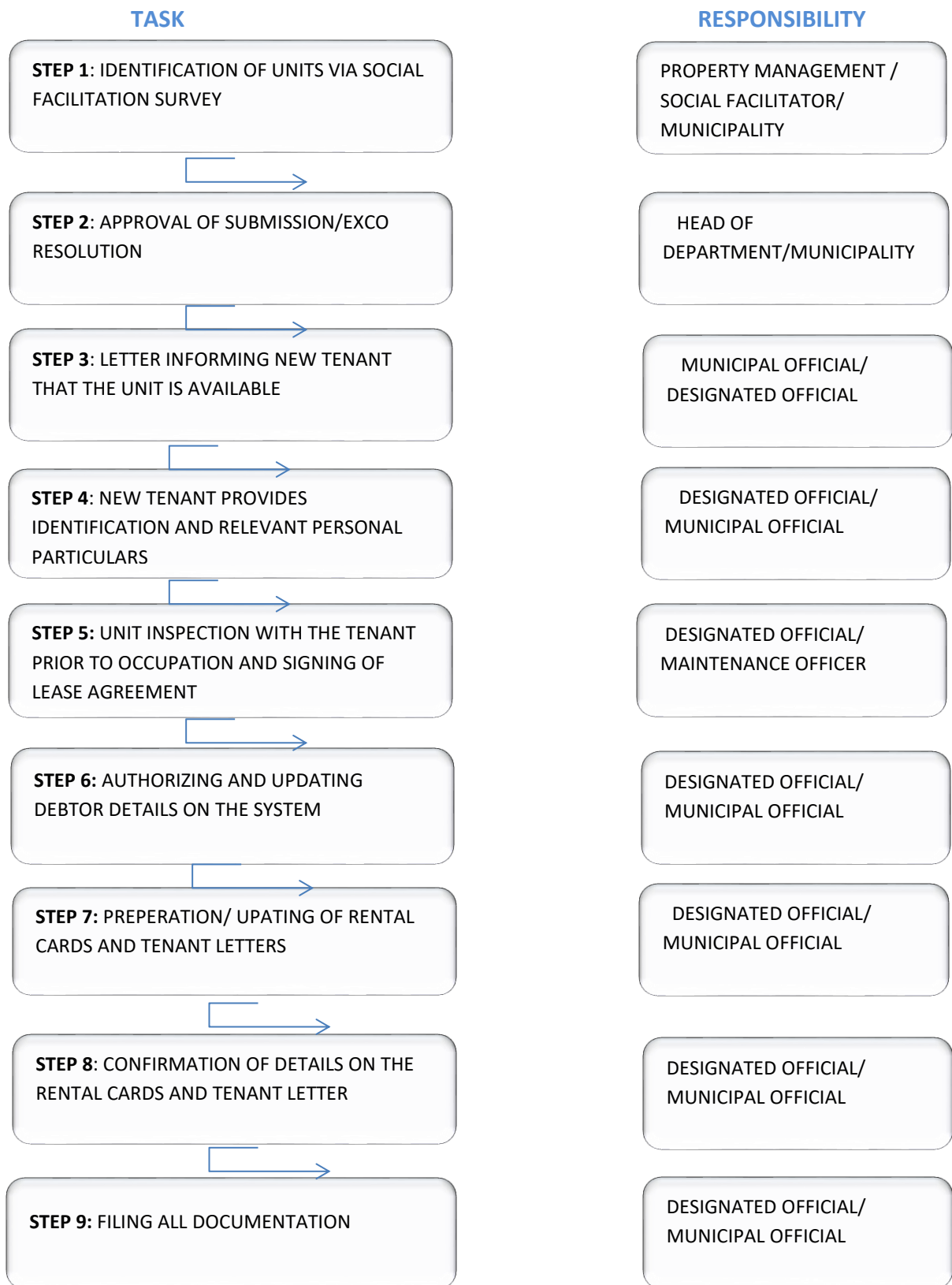
- a) The Municipality will thereafter take a council resolution based on the above findings and inform the Department. A submission will then be drafted to the Housing Adjudication Committee (HAC) for consideration and approval by the HOD. The submission will outline details of the rental units, the proposed beneficiaries and motivation for the approval. All relevant reports must be attached to the submission which will motivate that these beneficiaries are suitable for rental occupation.

- b) The approved submission will then be channelled to the Director: Social Housing & CRU and a delegated official who will thereafter undertake the following directly or contact/liase with the municipality official to:
- Contact (via a letter) the approved beneficiary and be advised of the approval. He/she will be requested to visit the municipal/departmental offices in order to finalise the lease agreement in order to take occupancy of the rental unit. The letter should also request the tenant to bring the following personal particulars and documentation in order to finalise his/her occupancy.
    - Utility bill
    - Copy of identification document
    - Marriage certificate
    - Proof of income
    - Proof of dependants
- The abovementioned documents usually serve as proof that the tenant can pay for the rental, water and electricity.
- c) The approved beneficiary will then sign a lease agreement confirming his or her occupation of the rental unit.
- d) Prior to occupying the unit a maintenance officer will inspect the unit in the presence of the new tenant ensuring that the rental unit is order and suitable for accommodation.
- e) The beneficiary will then be registered onto the system
- f) The tenant will be issued a rent card (indicating the monthly rental and the due date) and debtor number.

Persons who do not qualify for the CRU programme should be directed to the relevant housing programme which is applicable to them. The department should advise them of the process which needs to be followed in order to qualify for a subsidy under the designated programme.

**Note:** *Once the National Housing Needs Register has been fully adopted and effective within Municipalities then the register will serve as a source for potential beneficiaries*

## 6.1 PROCESS FLOW FOR THE ALLOCATION OF REFURBISHED/CONVERTED HOSTEL/CRU UNITS:



## 7. PROCEDURE: ALLOCATION OF NEW CRU'S

Utilising the municipalities/departments needs analysis and list therein an advertisement calling for qualifying beneficiaries within the municipal development area. The municipality/department must then screen potential beneficiaries in order to determine if they meet the required qualifying criteria.

- a) The Municipality will thereafter take a council resolution based on the above findings and inform the Department. A submission will then be drafted to the Housing Adjudication Committee (HAC) for consideration and approval by the HOD. The submission will outline details of the rental units, the proposed beneficiaries (as per response received after advertisement) and motivation for the approval. All relevant reports must be attached to the submission which will motivate that these beneficiaries are suitable for rental occupation.
- b) The approved submission will then be channelled to the Director: Social Housing & CRU and a delegated official who will thereafter undertake the following directly or contact/liaise with the municipality official to :  
Contact (via letter) the approved beneficiary and advise him/her of the approval. He/she will be requested to visit the municipal/departmental offices in order to finalise the lease agreement in order to take occupancy of the rental unit. The letter should also request the tenant to bring the following personal particulars and documentation in order to finalise his/her occupancy.

- Copy of identification document
- Marriage certificate
- Proof of income
- Proof of dependants

The abovementioned documents usually serve as proof that the tenant can pay for the rental, water and electricity.

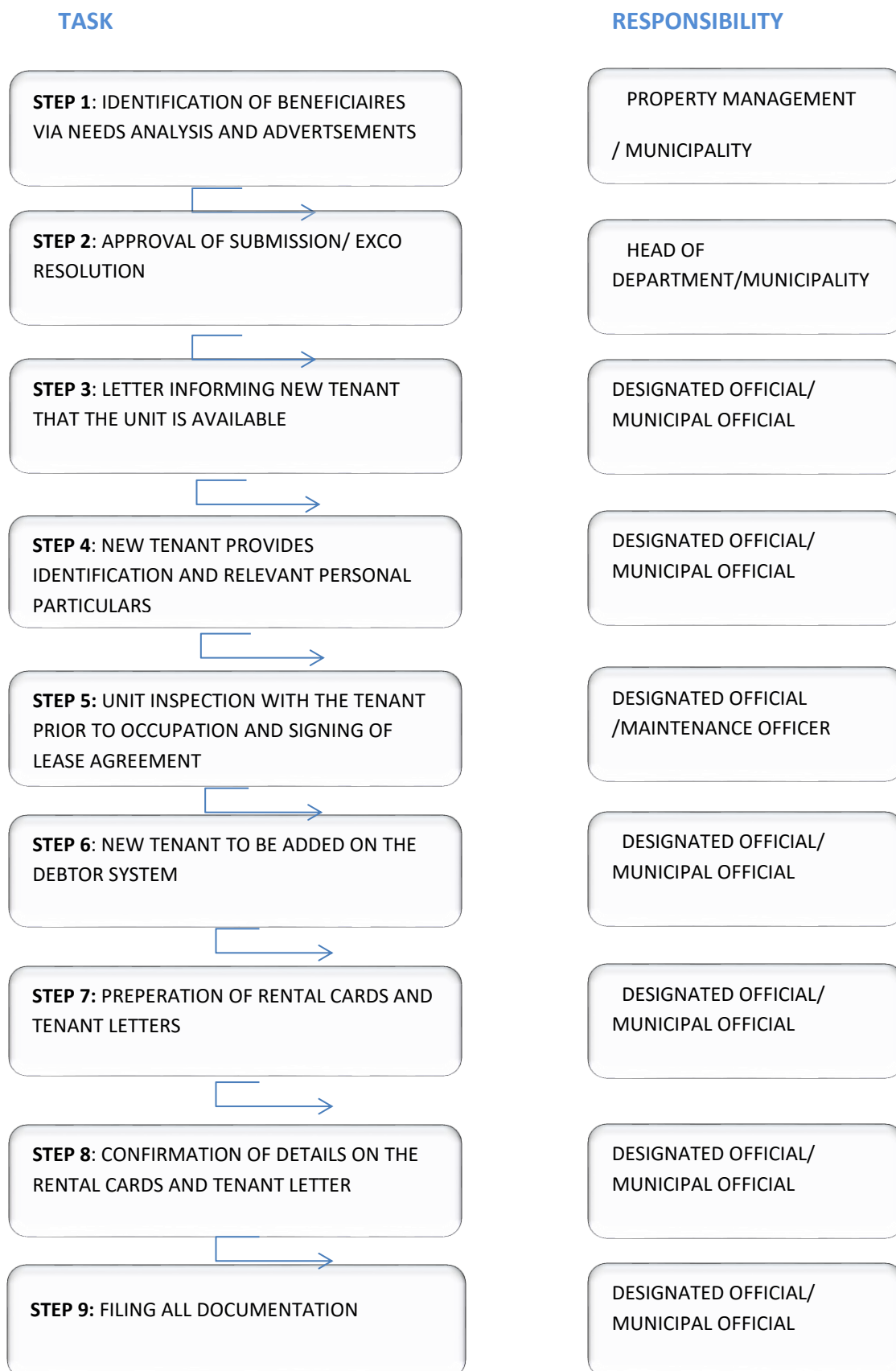
- a) The approved beneficiary will then sign a new lease agreement confirming his or her occupation of the rental unit.
- b) Prior to occupying the unit a maintenance officer will inspect the unit in the presence of the new tenant ensuring that the rental unit is order and suitable for accommodation.
- c) The beneficiary will then be registered onto the system
- d) The tenant will be issued a rent card (indicating the monthly rental and the due date) and debtor number.

Persons who do not qualify for the CRU programme should be directed to the relevant housing programme which is applicable to them. The department should advise them of the process which needs to be followed in order to qualify for a subsidy under the designated programme

*Note: Once the National Housing Needs Register has been fully adopted and effective within Municipalities then the register will serve as a source for potential beneficiaries*



## 7.1 PROCESS FLOW FOR THE ALLOCATION OF NEW CRU'S:

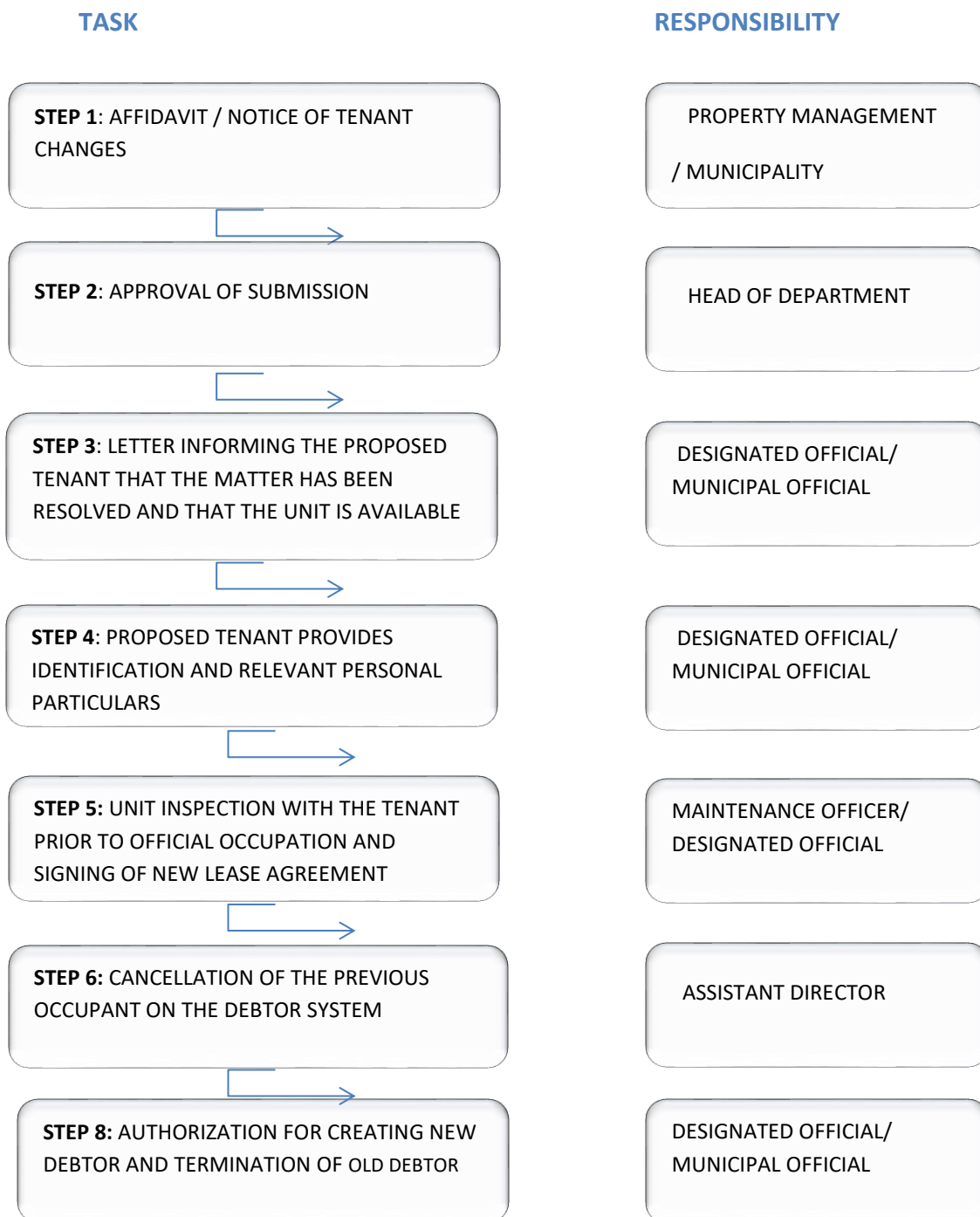


## **8. PROCEDURE FOR THE TRANSFER OF OCCUPANCY/LEASE AGREEMENTS:**

- a) In the event of separation or desertion, the tenancy may be transferred to the partner or spouse in occupation of the premises following the absence of the legal tenant for a long period of time. The tenancy of the spouse starts from the date of signing the new lease agreement.
- b) In the event of divorce, the tenancy is to be transferred to the spouse who has been granted primary custody of the minor children of the marriage. If joint custody has been granted then the tenancy maybe granted to the spouse who occupies the premises together with the minor children.
- c) In the event of death or spouse/partner, the tenancy may be transferred to the surviving spouse/partner.
- d) In the event of the death of the surviving spouse/partner, the remaining occupants are the minor children of the deceased tenant, the tenancy maybe transferred to a:
  - Legally appointed guardian
  - Family member who is a direct relation to the initial tenant
- e) In the event of marriage or cohabitation, the tenancy may be transferred to the other spouse by written consent of the tenant.
- f) Once the Municipality/Department has been made aware there is a change in the circumstances of the occupant (in terms of any of the scenarios as indicated above) steps need to be taken in order to amend the required lease agreements accordingly. The municipality will consequently inform the Department and thereafter a submission must be drafted to the Housing Adjudication Committee (HAC) for consideration and approval by the HOD. The submission will outline details of the rental units, the proposed beneficiaries (as per the different circumstance of the tenant) and motivation for the approval together with all supporting documents
- g) The approved submission will then be channelled to the Director: Social Housing & CRU and a delegated official who will thereafter undertake the following directly or contact/liase with the municipality official to contact (via letter) the approved beneficiary and advise him/her of the approval. He/she will be requested to visit the municipal/departmental offices in order to finalise the lease agreement in order to take occupancy of the rental unit. The letter should also request the tenant to bring the following personal particulars and documentation in order to finalise his/her occupancy.
  - Original identification document
  - Marriage certificate
  - Proof of income
  - Proof of dependants
  - Decree of divorce, if applicable
  - Death certificate, if applicable
  - Additional supporting affidavits
- h) Prior to occupying the unit a maintenance officer will inspect the unit in the presence of the new tenant ensuring that the rental unit is order and suitable for accommodation.
  - i) The approved beneficiary will then sign a new lease agreement confirming his or her occupation of the rental unit.
  - j) The beneficiary will then be registered onto the system

- k) The tenant will be issued a rent card (indicating the monthly rental and the due date) and debtor number.

### 8.1 PROCESS FLOW FOR THE TRANSFER OF OCCUPANCY/LEASE AGREEMENTS:



❖ Thereafter steps 7 -9 must be undertaken as per allocation procedure 6.1

## **9. RESOLUTION OF DISPUTES:**

Adjudication and mediation must be resolved through a specifically constituted Dispute Resolution Committee (comprising of relevant departmental and municipal officials and with the assistance of legal professionals when required). This committee must take into account the rights and duties of both landlord (Department of Human Settlements/ Municipality) and the tenant as per the Rental Housing Act 50 of 1999. The National Dispute Resolution Guidelines will be used to inform and advise the dispute resolution process (Annexure 1).

## **10. EFFECTIVE DATE:**

The effective date of this policy guideline will be the date of signature by the MEC.

## **11. MONITORING AND EVALUATION:**

The Department's Property Management and Social Housing and CRU Directorates as well as the Municipality in collaboration with the Departments Product Development Directorate will undertake the monitoring and evaluation of this policy. The Social Housing and CRU Directorate and Municipality will implement and thereafter identify any risks/gaps in the policy guideline. The Departments Product Development Directorate will review the policy guideline when required.