

SELLING OF RESIDENTIAL STANDS LOCATED WITHIN THE INFORMAL SETTLEMENT UPGRADING PROJECTS

Item B-HD (15-2009) MC 27/08/2009	THE EKURHULENI METROPOLITAN MUNICIPALITY HOUSING DEPARTMENT IMPLEMENTATION GUIDELINES FOR THE SELLING OF RESIDENTIAL STANDS LOCATED WITHIN THE INFORMAL SETTLEMENT UPGRADING PROJECTS (ISUP)
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RESOLVED:

1. **That** the report on *“The Ekurhuleni Metropolitan Municipality Housing Department Policy and Implementation Guidelines for the selling of residential stands located within the Informal Settlement Upgrading Projects (ISUP) in the Ekurhuleni Metropolitan Municipality to beneficiaries who don’t meet the housing subsidy qualification criteria”* **BE NOTED**.
2. **That** *“The Ekurhuleni Metropolitan Municipality Housing Department Policy and Implementation Guidelines for the selling of residential stands located within the Informal Settlement Upgrading Projects (ISUP) in the Ekurhuleni Metropolitan Municipality to beneficiaries who do not meet the housing subsidy qualification criteria”* (attached as **Annexure “A”**) **BE APPROVED**, subject to the following:
 - (a) That the Ekurhuleni Metropolitan Municipality Council applies its discretion in dispensing with the official procurement processes as set out in regulation 36 of the Supply Chain Management Policy and the approves the disposal of residential stands located within the Informal Settlement Upgrading Projects in the Ekurhuleni Metropolitan Municipality to beneficiaries who don’t meet the housing subsidy qualification.
 - (b) That applicants earning in between R3 500, 00 and R12 000 per month but who comply with the remainder of the Housing Subsidy Scheme qualification criteria should automatically qualify to purchase the stands allocated to them within the Informal Settlement Upgrading Projects implemented in the Ekurhuleni Metropolitan Municipality
 - (c) That the Ekurhuleni Metropolitan Municipality Housing Department should utilise the point system to asses applications of applicants who do not comply with the Housing Subsidy Scheme qualification criteria who are found to reside in upgrading project to determine if they qualify to acquire the stands allocated to them within the Informal Settlement Upgrading Projects implemented in the Ekurhuleni Metropolitan Municipality.
 - (d) That the point system utilised by the Ekurhuleni Metropolitan Municipality Housing Department to assess applications of applicants who do not comply with the Housing Subsidy Scheme qualification criteria who are found to reside in upgrading should ensure that the vulnerable applicants including the disabled, women headed households, and the poor are awarded more points and opportunity to acquire the properties than the other applicants.
 - (e) That the stands vacated by the non-qualifiers will be re-allocated to the applicants in the area utilising the Housing Demand Database system and also to accommodate qualifying applicants relocated from other informal settlements in the area.

- (f) That the purchase price of the stands to be sold to non-qualifying beneficiaries be equal to the cost of the development of the stand, comprising of:
- Land acquisition component;
 - Component equal to the cost of the provision of the municipal engineering services;
 - Component equal to the cost of the provision of bulk link services;
 - Cost for the provision of electricity to the unit;
 - Cost for the provision of Internal water and sanitation;
 - Transfer costs; and
 - Additional geotechnical
- (g) That the purchaser should commence with the development of the property within 6 (six) months after the date of transfer and shall complete the development within 18 (eighteen) months thereafter.

3. **That** the Executive Director: Housing, in conjunction with the Legal and Administrative Services Department and the Finance Department **BE AUTHORISED** to do or cause to be done whatever is necessary to ensure the successful implementation of the policy.



Ekurhuleni
METROPOLITAN MUNICIPALITY

**EKURHULENI METROPOLITAN MUNICIPALITY HOUSING
DEPARTMENT IMPLEMENTATION GUIDELINES FOR THE
SELLING OF STANDS TO NON QUALIFYING
BENEFICIARIES WITHIN INFORMAL SETTLEMENT
UPGRADING PROJECTS**

1. POLICY INTENT

The purpose of these guidelines is to guide the process to be followed in the selling of residential stand located within the Informal Settlement Upgrading Projects (ISUP) in the Ekurhuleni Metropolitan Municipality to beneficiaries who do not meet the housing subsidy qualification criteria.

2. SCOPE OF THE POLICY AND TYPES OF PROPERTIES AFFECTED

These guidelines will apply to the entire stands located within the ISUP being implemented within the jurisdiction of the Ekurhuleni Metropolitan Municipality.

3. BACKGROUND

The Ekurhuleni Metropolitan Municipality is currently utilizing the Municipality Infrastructure Grant (MIG) and own Council funding for the implementation of the internal water and sanitation projects aimed at the provision of water and sanitation to the beneficiaries who live in the informal settlements. The water and sanitation projects are based on the principles of the National Department of Housing's Informal Settlement Upgrading Programme.

One of the main principles of the Informal Settlement upgrading program is to assist all the inhabitants of the ISUP including persons earning in excess of R 3 500, 00 per month but who comply with the remainder of the Housing Subsidy Scheme and those who would normally not qualify for Housing Subsidies. The Informal Settlement Upgrading Policy and Implementation Guidelines further indicate that "beneficiaries falling in this category may apply to acquire individual ownership of the stands created under the programme or may opt for rental accommodation if available"

The Mayoral Committee meeting held on the 14th of August 2008, approved the "Ekurhuleni Metropolitan Municipality Housing Department Policy and Implementation Guidelines for the Allocation of Stands within the Informal Settlements Upgrading Housing Projects" this is a document guiding the allocation of the stands to the inhabitants of the ISUP including persons earning more than R3500.00 and those who would normally not qualify for housing subsidies.

These guidelines are aimed at taking the process forward by providing the process to be followed in the selling of the stands to the inhabitants of the informal settlement including persons earning in excess of R3 500, 00 per month but who comply with the remainder of the Housing Subsidy Scheme and those who would normally not qualify for subsidies.

4. LEGISLATIVE FRAMEWORK

These implementation guidelines are guided by the following pieces of legislation, and directives:

4.1 Upgrading of the informal settlements policy and guidelines for implementation

Section 2.5.4 (A) of the “Upgrading of the Informal Settlements Policy and Guidelines for implementation” dealing with the municipal counter-funding, further authorizes the municipality to use MIG funding for the essential services project by providing that:

“The principle of public/public partnership will apply to the Programme and participating municipalities will accordingly have to make a 10% minimum capital contribution towards the total cost of an upgrading project. Municipalities are encouraged to increase these contributions where possible and such contributions will be taken into consideration during project selection. Counter-funding requirements will be dealt with in a flexible manner to ensure that it does not result in the exclusion of municipalities that do not have the means to make such contributions. A purported lack of funding will be assessed against the municipality’s IDP and in consultation with the Department of Provincial and Local Government. Municipalities will be entitled to use MIG to finance their counter-funding requirements under this Programme.”

Section 8 of the “Upgrading of the informal settlements policy and guidelines for implementation” dealing with persons earning in excess of R3 500, 00 per month but who comply with the remainder of the Housing Subsidy Scheme provides that ***“beneficiaries falling in this category may apply to acquire individual ownership of the stands created under the programme or may elect to opt for rental accommodation if available. They may also apply for Financed Linked Individual Subsidies. The beneficiaries in this category who wish to acquire the individual stands in ownership will be required to pay a purchase price equal to the cost of the development of the stand. This cost will comprise a land acquisition component, a component equal to the cost of the provision of the municipal engineering services and transfer costs. These beneficiaries will not qualify for consolidation subsidies for house construction purposes.”***

Section 3.15.2 of the “Upgrading of the informal settlements policy and guidelines for implementation” provides that ***“Previous owners of residential property, current owners of residential property and previous beneficiaries of state housing assistance schemes who are found to reside in upgrading project areas, may apply for benefits under the programme. Each applicant should be considered on a case by case basis to determine the facts and circumstances that led to the presence of these persons in the settlements. Persons falling in this category will not automatically qualify for assistance under the programme but the MEC will have discretion to award conditional access to the programme benefits to such person.”***

4.2 Municipal Finance Management Act, Act No. 56 of 2003

The extract of Section 14 of the Municipal Finance Management Act, Act No. 56 of 2003 dealing with the disposal of the municipal capital asset provides that:

“(1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services. (2) A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council. In a meeting open to the public (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services (b) has considered the fair market value of the asset and the economic and exchange for the asset. (5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintaining terms of section 111.”

4.3 Letter from the National Department of Housing

The letter dated 2 January 2008 responding to the municipality's request of the process to be followed in the selling of stands to no-qualifiers; the National Department of Housing indicated that ***"It is discretion of the municipality to decide on the process to be followed when selling stands to non-qualifying beneficiaries."***

4.4 Land Disposal administrative framework for the Ekurhuleni Metropolitan Municipality

The "Land Disposal administrative framework for the Ekurhuleni Metropolitan Municipality" as approved by the Council on 31/01/2008 (Item A-L (01-2008) that has been drafted to provide a framework for the management, use and disposal of council's immovable property in compliance with the supply chain Management provides as follows:

Section 5 provides that **"No applicant for purchase of council property will have the right to purchase such property and the sole discretion of such land will rest with the council within and based on the following principles:**

(a) The use of council's immovable property to promote social integration, creation of sustainable human settlements, to redress existing spatial inequalities, to build strong integrated and dignified communities and to promote access to land, housing, services, amenities, transport and opportunities for employment"

4.5 The Ekurhuleni Metropolitan Municipality Supply Chain Management and Preferential Procurement Policy

The selling of the stands located within the informal settlement project will also be guided by Ekurhuleni Metropolitan Municipality Supply Chain Management Policy adopted by the council on the 30th of May 2005.

Section 40 (4) (b) of the Ekurhuleni Metropolitan Municipality Supply Chain Management Policy the following as some of the principles for the disposal of council owned immovable assets:

"The title Deed to be issued to the purchaser should have the following condition inserted in such deed "The property shall not be transferred without the written approval of the Ekurhuleni Metropolitan Municipality" (vii) Any sale of immovable assets by the municipality which is to be utilized for purposes of housing to be funded and/or subsidized from National and/or Provincial Housing funds shall be done in compliance with the principles, policies and procedures as contained in National and Provincial Housing legislation and any Housing code and/or Land Procurement Procedures prescribed under such legislation. (viii) The extent to which the intended disposal of the immovable property will promote the principles of integration, densification, regeneration and compact development, shall be considered in deciding whether to dispose of the property."

Section 36 of the policy providing on the deviation from, and ratification of minor breaches of, procurement processes provides that: **"(1) The accounting officer may (a) dispense with the official procurement processes established by this policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes"**

4.6 The Ekurhuleni Metropolitan Municipality System of Delegated Powers

Schedule 24 Section (IV) (14) of the Ekurhuleni Metropolitan Municipality System of Delegated Powers are approved in the Council Resolution A-CL (05-2007) dated 29 March 2007, authorizes the Executive Director: Legal and Administrative Service to perform the following functions relating to the selling of the Council owned land:

“Enter into and sign the following: (b) Deeds of sale (d) Power of attorney – (i) to give transfer; (ii) to prospective purchasers of Council owned land to act on behalf of Council to apply for exemption of environment impact assessments or for the establishments of townships and other planning related applications subject thereto that a Deed of Sale has been entered into with the Council and the deposit has been paid, the required guarantees has been issued to the Council covering the approved selling price and an advance payment has been received in respect of the cost involved.”

The above pieces of legislation authorizes the selling of the erven within the ISUP to persons earning in excess of R3 500, 00 per month but who comply with the remainder of the Housing Subsidy Scheme and to non qualifying beneficiaries at a cost comprising of a land acquisition component, a component equal to the cost of the provision of the municipal engineering services and transfer costs.

The provisions of Section 36 of the Supply Chain Management Policy, also authorizes the accounting officers to dispense with the official procurement processes based on the fact that it will be impractical to follow a competitive bidding process to sell the stands in the ISUP due to the fact that the stands will only be targeted and restricted to the applicants who are already occupying and have been allocated the stands during the first phase of the project. Selling the stands through the competitive bidding process may also result in the stands to be acquired by the people who do not reside in the Informal Settlement Projects and who do not meet the qualification criteria as set in the National Informal Settlement upgrading Programme Policy.

The Ekurhuleni Metropolitan Municipality System of Delegated Powers as approved in the Council Resolution A-CL (05-2007) dated 29 March 2007, authorizes the Executive Director: Legal and Administrative Services to perform the functions related to the selling of the Council owned land including the stands located within the ISUP.

5. BENEFICIARY QUALIFICATION CRITERIA

The qualification criteria for beneficiaries who will be allowed to purchase stands located within the ISUP are guided by the National Informal Settlement Upgrading Programme and include the following two categories:

5.1 **Persons earning in excess of R3 500, 00 per month or the applicable income at the time of submission of the application but who comply with the remainder of the Housing Subsidy Scheme Qualification criteria.**

This category of applicants will automatically qualify to purchase the stands located within the ISUP implemented in the Ekurhuleni Metropolitan Municipality, and they should meet the following criteria:

- **Allocated and residing on a stand located within the informal settlement upgrading project:** applicants should have been allocated and residing in the stand that they are willing to purchase;

- **Married or Financial Dependants:** An applicant must be married or constantly be living together with any other person. A single person with proven financial dependants (such as children or family members) may also apply.
- **Residents** of the Republic of South Africa, or be in the possession of a permanent resident permit.
- **Competent to Contract** (i.e. over 21 years of age, or married or divorced) and of sound mind.
- **Not yet benefited from Government Funding:** An applicant or anyone else in the household must not have received previous housing benefits from the Government.
- **First time property owner:** An applicant may not own or has owned a house previously,

5.2 Persons who do not meet the normal housing subsidy qualification criteria

This category of applicants who are found to reside in upgrading project areas will not automatically qualify to purchase stands in the programme and includes the following persons:

- Previous owners of residential properties who lost their properties due to divorce or repossession by the financial institutions;
- Current owners of residential properties;
- Previous beneficiaries of state housing assistance schemes who lost their properties due to divorce or repossession by the financial institutions; and
- Single persons without dependents.

Applicants falling within this category will be considered on a case by case basis to determine the facts and circumstances that led to the presence of these persons in the settlements. The Council will utilize the point system to assess whether applicants falling within this category qualify to acquire the stands allocated to them in the informal settlement upgrading project. The assessment utilized will ensure that the applicants who comply with most of the Housing Subsidy Scheme qualification criteria are awarded more points and opportunity to acquire the properties than those who meet less of the Housing Subsidy Scheme qualification criteria. The point assessment system will also ensure that the vulnerable applicants including the disabled, women headed households, and the poor are awarded more points and opportunity to acquire the properties than the other applicants.

The applicants will be assessed utilizing the table below presenting on the points to be allocated to the different categories of applicants.

NO	Beneficiary Criteria	Points Allocated	Points Earned
1.	Registered in the Housing Demand Database	5	
2.	Applicants with a household income of between R0.00 and R3500.00	5	
3.	Disabled	5	
4.	Married or living with a long-term partner; or, financial dependants,	4	
5.	Single female applicants without dependents.	4	
6.	Never owned a property before	4	
7.	Never owned received a housing subsidy property before	4	
8.	South African citizen or the holder of a permanent South African residence permit;	4	
9.	Applicants who lost their properties due to divorce.	3	
10.	Previous owners of residential properties who had their properties	3	

	repossessed by financial institutions.		
11.	Applicants with household income of between R3500.00 and R7500.00	3	
12.	Single male applicants without dependents.	2	
13.	Applicants with household income of between R7500.00 and R10 000.00.	2	
14.	Current owners of Residential Properties Located in others areas	1	
15.	Current owners of Government Subsidised Properties located in other areas.	1	
16.	Current owners of Government Subsidised Residential Properties Located in the Ekurhuleni Metropolitan Municipality	0	
17.	Current owners of Residential Properties Located in the Ekurhuleni Metropolitan Municipality	0	
18.	Applicants with a household income of R10 000.00. and above	0	
	Total	50	

Only applicants scoring 15 points and above will qualify to acquire the stands allocated to them in the informal settlement upgrading project.

Persons falling in this category who did not qualify to acquire registered ownership of the stands they occupy will be advised to opt for rental accommodation in the area, if available.

5.3 Document required

Certified copies of the following documents, where applicable, must accompany the application to acquire the stands allocated to applicants in the informal settlement upgrading projects

- Proof of allocation to the stand to be purchased;
- proof of registration in the Housing Demand Data Base;
- latest statement of the municipal account for the occupied stand;
- the page of the bar-coded R.S.A. identity document containing photograph of applicant and that of his/her spouse;
- the page of the bar-coded Permanent Residence Permit containing the photograph of the applicant and that of his/her spouse;
- a marriage certificate (if applicable);
- a spouse's death certificate (if applicable);
- a divorce settlement (if applicable);
- birth certificates of all dependants (if applicable);
- most recent pay slip [applicant and spouse];
- Most recent three months bank statement for both the applicant and spouse;
- Proof of Disability (where applicable); and
- Any other documents that may be required by the Council to assess the application.

5.4 Child headed households and minors

The age of the Child headed household and minors make them to be not competent to contract, and therefore they will not qualify for registered ownership of the properties. Applicants in this category will be dealt with in accordance with the directives of the Department of Social Development and may be accommodated in rental housing opportunities if available or special facilities for this purpose. Where legal guardianship

arrangements apply, the ownership of the property may be transferred as provided by the guardianship arrangement or in trust as the case may be.

5.5 Illegal immigrants

Illegal immigrants found to be residing and allocated stands within the informal settlement upgrading projects will not qualify to acquire the stands located within the informal settlement upgrading projects. In case where the presence of illegal immigrants is detected, the EMMHD will report the matter to the Department of Home Affairs to investigate the matter further.

5.6 Eviction and removal of applicants who did not qualify to acquire stands

As the first step in the eviction process the EMMHD will also compile letters to the applicants rejected by the point system advising them that they did not qualify to acquire stands allocated to ISUP and requesting them to vacate their stands on a predetermined date. In cases where some of the rejected applicant have not vacate the stands on the determined date, the EMMHD will request the Legal and Administration Departments to appoint an attorney to prepare a court application in terms of the PIE Act in order to obtain a court order to evict the applicants who did not qualify to acquire stands allocated to them in the informal settlement upgrading projects.

5.7 Reallocation of Sands vacated by non-qualifying applicants

The stands vacated by the non-qualifiers will be re-allocated to the applicants in the area utilizing the Housing Demand Database system and also to accommodate qualifying applicants relocated from other informal settlements in the area.

6. PURCHASE PRICE OF THE STANDS

The purchase price of the stands to be sold to non-qualifying beneficiaries will be equal to the cost of the development of the stand, comprising of:

- Land acquisition component;
- Component equal to the cost of the provision of the municipal engineering services;
- Component equal to the cost of the provision of bulk link services;
- Cost for the provision of electricity to the unit;
- Cost for the provision of internal water and sanitation;
- Transfer costs; and
- Additional geotechnical.

7. CLEARANCE CERTIFICATES AND THE RESPONSIBILITY OF THE MUNICIPALITY AS THE ORIGINAL OWNER OF THE LAND

Section 118 (1) of the Municipal System Act 32 of 2000 provides that “(1) A registrar of deeds may not register the transfer of property except on production to that registrar of deeds of a prescribed certificate (a) issued by the municipality or municipalities in which that property is situated; and (b) which certifies all amounts that became due in connection with that property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been full paid.”

Section 118 (4) of the of the Municipality Systems Act further provides that ‘Subsection 118 (1) does not apply to (a) a transfer from the national government, a provincial government or a municipality of a residential property which was financed with funds or loans made available by the national government, a provincial government or a municipality;’

Based on this provision, and the fact that the municipal service accounts will be already in the name of the beneficiary, the municipality as the original owner of the land will not be required to submit a clearance certificate in order for registrar of deeds to register the transfer of property to the beneficiaries.

The beneficiaries will be required to update their municipal service account and agreements that were opened during the allocation phase of the project before the properties are transferred into their names.

8. DEVELOPMENT OF THE ACQUIRED PROPERTY

The development of the properties acquired within the informal settlement upgrading projects will be in terms of the land development administrative disposal framework for implementation in the Ekurhuleni Metropolitan Municipality (Item ALA (012008) CM 31/01/2008) as approved by council and providing that:

“(iv) The purchaser shall commence with the development of the property within 6 (six) months after the date of transfer and shall completed the development within 18 (eighteen) months thereafter.

Should the purchaser fail to commence with or complete the development as stipulated in (iv) above, the property shall revert to the municipality and be transferred back to municipality at the discretion of the accounting officer.

(vi) Should be property revert to the municipality, the municipality shall refund to the purchaser an amount paid by the purchaser in respect of the purchase price, less all costs attached to the retransfer of the property into the name of the municipality, which costs shall be for the account of the purchaser. The municipality will only compensate the purchaser for any improvements erected on the property after the property has been resold to another purchaser and the purchase has been paid by said purchaser.

9. RESALE OF THE PROPERTY

In order to comply with requirements of the Deeds Office as set out in Circular No. 152 dated 1997.07.03 by the Registrar of Deeds, the properties acquired within the informal settlement upgrading projects will not be sold or transferred without the consent of the Ekurhuleni Metropolitan Municipality. The following conditions shall be inserted in Title Deed to be issued to the purchaser “The property shall not be transferred without the written approval of the Ekurhuleni Metropolitan Municipality”

10. POLICY IMPLEMENTATION PROCESS

Guided by the above pieces of legislation and the mandate received from the National Department of Housing, the process followed by the EMMHD in the selling of stand located in the Informal Settlement Upgrading will be as follows:

- (a) The first stage in the process will be the submission of beneficiary housing subsidy application forms for all the applicants who have been allocated stands in the ISUP to the Gauteng Department of Housing (GDoH) for screening, processing and capturing

in the Housing Subsidy System to determine if they meet the housing subsidy qualification criteria.

- (b) The EMMHD will then receive the housing subsidy application results from the GDoH indicating the applicants who qualified for housing subsidies and those who have been rejected due to the fact that they did not meet the housing subsidy qualification criteria including persons earning in excess of R3 500, 00 per month or the applicable income at the time of submission of the application but who comply with the remainder of the Housing Subsidy Scheme.
- (c) The EMMHD will the prepare letters to the rejected persons earning in excess or R3 500, 00 per month or the applicable income at the time of submission of the application, but who comply with the remainder of the Housing Subsidy Scheme informing them of the following:
- That they did not qualify for housing subsidies;
 - That they qualify for the option to buy the stands allocated to them from the Council;
 - The total cost of the stands;
 - The deposit amount required; and
 - Requesting the applicants to submit their particulars to the relevant project manager if their interested in purchasing the stands.
- (d) The EMMHD will also prepare letters to the rejected applicants who are previous owners of residential properties, current owners of residential properties and previous beneficiaries of state housing assistance schemes who are found to reside in ISUP, informing them:
- That they did not qualify for housing subsidies
 - That they will not automatically qualify to purchase stands in the projects.
 - That if they are interested in acquiring the stands allocated to them they should submit their particulars to the relevant project manager;
 - That the Council will utilize the point system to asses their applications on cases by case basis to determine the facts and circumstances that led to their presence in the settlements to determine if they will qualify to purchase stands in the projects.
 - The letter will further advice applicants falling in this category that they opt for rental accommodation in the area, if available.
- (e) After receipt of applications from interested applicants; the EMMHD will utilize the point system to asses the applications and to determine if they will qualify to purchase stands in the projects.
- (f) Based on the results of the point system assessment, the EMMHD will draft and send letters to approved applicants advising them:
- That they qualify for the option to buy the stands allocated to them from the Council,
 - The total cost of the stands;
 - The deposit amount required; and
 - Requesting the applicants to submit their particulars to the relevant project manager if their interested in purchasing the stands.
- (g) The EMMHD will also compile letters to the applicants rejected by the point system advising them that:

- They did not qualify to acquire stands allocated to ISUP;
 - That they should vacate their stands on a particular date; and
 - To opt for rental accommodation in the area, if available.
- (h) The EMMHD will request the EMM legal and administration services to institute a legal process to evict the applicants who did not vacate the stands as requested.
- (i) After identifying applicants who qualify to acquire stands in the ISUP, the EMMHD will draft and present an item to the Housing Portfolio Committee, Land Committee, Corporate Service and the Council recommending:
- That the qualifying applicants be allowed to purchase the erven allocated to them in the informal settlement upgrading project.
 - That the Accounting Officer dispense with the official procurement processes as set out in regulation 36 of the Supply Chain Management Policy and the approves the sale of the identified stands only to the applicants who are residing in and have being allocated the stands in the informal settlement upgrading project;
 - The total cost of the identified individual stands; and
 - The amount of the deposit that should be paid by the applicants to the Ekurhuleni Metropolitan Municipality.
- (j) On receipt of the Council's resolution approving the request to sell and transfer the identified stands, the EMMHD and EMM Legal and Administrative Service enter into the Memorandum of Agreement providing that the EMM Legal and Administrative Services to perform all the functions related to the alienation and the transfer of the identified stands to the identified beneficiaries including:
- The completion of the offer to purchase with the applicant;
 - Providing the applicants with the payment details and procedures;
 - Signing of the deeds of sale with the applicants;
 - The collection of the deposit and the balance of purchase amount in conjunction with the Finance Department;
 - The transfer of the identified properties to the applicants, and
 - The handover of the Title Deeds to the applicants.
- (k) After signing the agreement with the EMM Legal and Administrative Services, the EMMHD will request the Accounting Officers to dispense with the official procurement processes as set out in the Supply Chain Management Policy and begin with the process to sell the identified stands only to the applicants who are residing in and have being allocated the stands in the informal settlement upgrading projects.
- (l) Applicants will the Sign the Deeds of sale with the EMM Legal and Administrative services
- (m) Applicants will then be requested to pay the deposit and make arrangements for the payment of the outstanding balance with the finance department.
- (n) EMM Legal and Administrative services will transfer and handover the Title Deeds after the outstanding balance have been paid by the applicant.
- (o) On monthly basis the EMMHD will separate the amounts received from the sales of stands according to the source of funding between the ones funded by the MIG and the ones funded through the Sustainable Human Settlement Development Fund.

- (p) In cases where the essential services in the sold stands were funded through MIG, the amount will be transferred to a specified Council Vote, and in cases where the essential services was funded through the Sustainable Human Settlement Development Fund the funds will be transferred back to the Gauteng Department of Housing into the specified account.

11. MONITORING AND EVALUATION

The EMMHD will compile reports for all the stands that were sold and the amount received for monitoring and evaluation purposes.

12. PROCESS FLOW CHART FOR THE SELLING OF RESIDENTIAL STANDS LOCATED WITHIN THE ISUP IN THE EMM

The flow chart below presents the summary of the process for the selling of residential stands located within the ISUP in the EMM

Process for the selling of residential stands located within the ISUP in the EMM

Submit Beneficiary housing subsidy forms for applicants allocated stands in the ISUP to the GDoH for processing

GDoH for screens, process, capture applications and provide EMMHD with results identifying approval and rejection

Qualifying applicants get land and houses funded through subsidies

EMMHD identifying approval and rejections

EMMHD write to reject applicants informing them that they don't qualify to acquire stands and should submit their applications for assessment if interested

EMMHD prepare letters to applicants earning more than R 3 500, 00 but complying with remainder of subsidy criteria informing them that they qualify to acquire stands and should submit to acquire stands

EMMHD Assess applications utilizing the point system

EMMHD write to applicant rejected by the point system advising them that they are rejected and should vacate the stands on set date

EMMHD draft and present an item to Housing Portfolio Committee, Land Committee, Corporate Services and the Council recommending qualifying applicants be allowed to acquire stands

EMMHD prepare letters approved by point system informing them that they qualify to acquire stands and should submit to acquire stands

EMMHD request the Legal Department to initiate legal process to evict rejected applicants who did not vacate stands

Council evicts non qualifying applicants

EMMHD allocate vacated stands utilizing the Demand Data Base

Housing Portfolio Committee, Land Committee, Corporate Services and the Council approve selling stands to applicants

EMMHD enter into an agreement with Legal and Administrative Services to perform functions of alienation and transfer of stands to beneficiaries

Applicants sign agreement of sale with Legal and Administrative Services

Applicants pay the deposit and make arrangement for the payment of the balance with finance department

Legal and Administrative Services transfer property to beneficiary after payment of balance