



HUMAN SETTLEMENTS

Provincial Government of the Western Cape

REFERENCE:

ENQUIRIES:

TO: The Mama's Project Steering Committee and the Mama's Beneficiaries
Pelican Park

FROM: The Minister of Human Settlements

Notification that Ministry is considering a change to the current beneficiary allocation

The Department of Human Settlements (*"the Department"*) has reconsidered the allocations of the first 59 units built on Mamas Housing Project located at Erf 830, Pelican Park (*"the property"*). This has become necessary due to the large number of complaints and allegations received by this office, of an unfair allocation practice. Departmental officials have previously requested that the allocation criteria (and the allocations) be reviewed by the Mama's Project Steering Committee (*the "PSC"*), however the PSC have decided that the allocations remain as they are.

The history to this is as follows. On 22 June 2010 the Department awarded a contract to FK Maintenance Services to build 60 Top Structures on the property. The contract only commenced on 20 October 2010, after all sureties and guarantees by the contractor were provided. Although the contract stipulated a 12 month contract duration and completion period, it was anticipated that the project could nevertheless be completed by July 2011. As a result, although the contractual completion date was then recorded as 20 October 2011, the anticipated actual completion date of July 2011 was also recorded in the minutes of meetings then held in respect of the Project.

In October 2010, the Department requested the PSC (acting as beneficiary administrators) to provide a list of the first 60 beneficiaries to receive housing opportunities and the respective sites upon which the contractor was to commence building units. The pool of beneficiaries for selection could only be from those with approved housing subsidies (*"subsidies"*) at that point in time; hence the first 60 were proposed by the PSC on that basis, from the list of beneficiaries with approved subsidies. The Department accepted that the names then proposed carried the blessings of all beneficiaries; as the beneficiaries elected the PSC members to fairly represent them.

Over the months, the Department held numerous public engagements reporting on the project's progress - and the first 60 names were eventually listed against erven, and displayed for all to see at these meetings. However as a result of one erf being occupied by someone who refused to allow the contractor to build; only 59 units could be built.

For various other reasons, the contractor did not manage to complete the top structures by July 2011 – but is now expected to complete the project in late November 2011.

In the interim, and since October 2010 additional beneficiaries' housing subsidies have been approved and the Department has been inundated with complaints about unfair allocations by the PSC.

For this reason the Minister of Human Settlements met with the PSC on 30 September 2011 where it was his intention to understand the allocation procedure used and to endorse or not to endorse the first 60 allocation list. At this meeting the Minister stated that he found the list to be acceptable.

Thereafter, at a public meeting held on 2 October 2011 the Minister explained that he endorsed the first allocation list. This was met with much criticism. The Minister then invited beneficiaries to come forward with proof of unfairness.

Many approaches to the Department have resulted in the Minister instructing his officials to reconsider the current allocations and to develop fair allocation principles, which will result in allocation to the most deserving cases. In particular, re-allocation in terms of the following principles are being considered:

1. those associated with the project the longest would benefit first, and
2. within that group, the oldest beneficiaries would benefit first –

This would mean that the oldest approved beneficiaries on the initial 2004 N6 project application (who have approved subsidies) would benefit first from the first 60 units, followed by the oldest approved on the 2008 N6 project application.

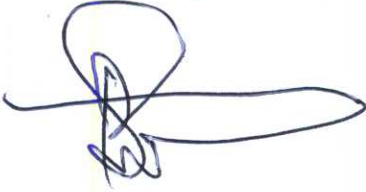
The Minister has taken a decision to reconsider the allocation on the basis of the above mentioned principles, which are deemed to be fair, and would result in allocations to the most deserving beneficiaries. The impact of such a reallocation would result in 27 of the October 2010 allocations remaining unchanged and 33 beneficiaries from the October 2010 allocations, only benefiting in phase 2 and now making way for older beneficiaries - deemed to be more deserving.

The only effect this would have on the 33 beneficiaries is a delayed receipt of a housing opportunity till next year (the estimated date of completion of Phase 2 is April 2012 through to Dec 2012) – but in no way will they lose their housing opportunity.

The Department hereby invites the PSC and all current beneficiaries to a meeting to be held on 09 November 2011 at Elegance Hall Pelican Park where this intended change will be discussed. Invitations will be sent via text message to all beneficiaries stating the time of the meeting which will be held in the evening. Written responses and/or any objections received by the Minister on or before Monday 14 November 2011 will also be considered, before his final decision is taken. These can be addressed to the following person: Mr Zali Mbali, Department Human Settlements, 27 Wale Street, Cape Town or zalisile.mbali@pgwc.gov.za.

The houses are almost complete and the issue of allocations needs to be resolved within the next two weeks.

Yours Faithfully,

A handwritten signature in blue ink, consisting of a large loop on the left and a long horizontal stroke extending to the right.

Minister of Human Settlements

Date: 09 November 2011