

Government of the Republic Fiji

Ministry of Housing and Community Development

DRAFT

**Informal Settlements Upgrade Programme:
Lot Allocation Policy**

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1 DEFINITIONS

- 1.1 **Allocation Committee** means the Committee responsible for the allocation of lots.
- 1.2 **Allotment Price** means the amount charged by the Ministry for an Upgraded lot, payable by the settler lessee as outlined in section 7 of this Policy.
- 1.3 **Current Market Valuation** means the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion as assessed by a Government valuer.
- 1.4 **Declaration** means a legally binding declaration that any information submitted to the Ministry is not a false representation (under the False Information Act 2016) and is true, accurate and complete.
- 1.5 **Dwelling** means a house, apartment, flat, shack or any other structure erected and used for residential purposes in an Informal Settlement.
- 1.6 **House Number** means the number assigned to the settlers dwelling by the Ministry when conducting the initial, or any subsequent, enumeration and/or socio-economic surveys of the Informal Settlement.
- 1.7 **Household** means the Informal Settlers who ordinarily reside in a Dwelling together and who usually eat food together, which is usually prepared for them in the same kitchen, and who share the effort and cost of providing food for the Household.
- 1.8 **Household Income** means the total combined income of all the individual Household members.
- 1.9 **Informal Settlement** means a cluster, or area, of dwellings occupying state, freehold or customary (iTaukei) land with or without some type of informal consensual arrangement with the landowners and without any legal form of security of tenure.
- 1.10 **Informal Settler** means a person who is in occupation of state, freehold or customary (iTaukei) land illegally or without any legal form of security of tenure, with or without any consent (squatting) from the landowner and without consent from the iTLTB or the Director of Lands.
- 1.11 **Lot** means the land area covered by a formalised title after Upgrade.
- 1.12 **Means Test** means an assessment of the Household income and financial capacity of the Household which will be used to determine the allotment price payable by the settler/s.
- 1.13 **Permanent Secretary** means the Permanent Secretary for the Ministry of Housing and Community Development.
- 1.14 **Government** means the Government of the Republic of Fiji.
- 1.15 **Minister** means the Minister for Housing and Community Development.
- 1.16 **Ministry** means the Ministry of Housing and Community Development.
- 1.17 **Programme** means the Government's Informal Settlement Upgrade Programme (ISUP).
- 1.18 **iTLTB** means the iTaukei Land Trust Board.
- 1.19 **Upgrade** means the formalisation of the legal lot titles and the provision (or part provision) of local infrastructure, which may include road, water, sewerage and drainage

2 PURPOSE OF POLICY

2.1 The purpose of this Lot Allocation Policy (“**Policy**”) is to:

- a) set out the guideline that will assist with the implementation and delivery of the Programme.
- b) provide clarity and certainty to the community on Informal Settler:
 - (i) eligibility for Lots;
 - (ii) allocation of the Lots;
 - (iii) allotment Price, or cost to the eligible settler/s, for Lots; and
 - (iv) payment of the Allotment Price, Lot lease conditions and other matters.
- c) ensure fair and equitable allocation of Lot leases within Informal Settlements to eligible informal Settlers;
- d) establish a policy framework for the calculation of a ‘means tested’ allotment price per Lot which will be charged to eligible Informal Settler/s;
- e) enable the community to understand how the payment of a Lot Allotment Price will contribute to the cost of Lot Upgrade, particularly the high cost of infrastructure installation.

2.2 For the avoidance of any doubt, the previous policy arrangement for Resettlement of Squatters: Formula of Setting Premium and Criteria for Allocation of Lots is superseded by this Policy.

3 POLICY BACKGROUND

- 3.1 The Fijian Constitution sets out the State must take reasonable measures within its available resources to achieve the progressive realisation of the right of every person to accessible and adequate housing and sanitation¹. The Government has also set out a vision for “Accessible and adequate housing for all” and plans to provide all households with access to affordable housing².
- 3.2 As Fiji continues to urbanise, the management and upgrade of expanding informal settlements in and around Fiji’s rapidly growing urban areas has posed a significant and complex challenge to the Programme.
- 3.3 Policy guidelines regarding informal settlement upgrading were first adopted by the Government in 2001. Since then the Government has become aware of the shortcomings of the initial policy settings and has consequently undertaken a review of policy to ensure greater clarity on eligibility and fairness in the determination of the subsidised prices paid by the settlers for the Lot titles in upgraded settlements.

¹ *Constitution of the Republic of Fiji* (2013), Chapter 2, Section 35.

² Republic of Fiji (November 2017), *5 & 20 Year Development Plan*, Section 3.1.3.

4 DETERMINATION OF ELIGIBILITY FOR LOTS

- 4.1 An Informal Settler shall be considered for allocation of a Lot if they meet the following requirements:
- a) the applicant(s) name and House Number, has been captured in the initial dwelling enumeration and socio economic surveys carried out by the Ministry (applicants who have occupied land and constructed dwellings subsequent to the initial survey and numbering of houses may not qualify for allocation of Lots).
 - b) the applicant(s) are currently resident, and have remained resident in the Informal Settlement, since the time that the Ministry acquired the development lease from iTLTB or Ministry of Lands and Mineral Resources (“**Ministry of Lands**”).
 - c) the applicant(s) or other members of the Household solely or jointly:
 - (i) do not currently own freehold or leasehold land; or
 - (ii) have not previously owned freehold or leasehold land.
 - d) the applicant(s) are:
 - (i) 18 years of age or above;
 - (ii) Fijian citizens; and
 - (iii) applicant and all other members of the Household must be of good character and not pose a security risk or threat to the community.
 - e) The applicant(s), since the time that the Ministry acquired the development lease, have adhered to any Ministry Upgrade directions, namely;
 - (i) any tenancy rules issued by the Ministry
 - (ii) any request by the Ministry not to obstruct the Upgrade process
 - (iii) any orders to stop construction of any new Dwelling and/or structure
 - (iv) any orders to remove and/or relocate any Dwelling and/or structures.
- 4.2 The Ministry will screen and assess each application on a case-by-case basis and recommend the allocation of available Lots to eligible settlers to the Allocation Committee for determination (See Section 6.1.d).

5 UPGRADE PROCESS

- 5.1 Upon acquiring the development lease for an Informal Settlement area, the Ministry will conduct a baseline socio-economic survey to establish a formal record of Dwellings and Households within the Informal Settlement.
- 5.2 The Ministry will then assign a House Number and provide information to resident Informal Settlers about various stages, and likely timeframe, involved in the Upgrade.
- 5.3 The Ministry will, as far as is practical, carry out an in-situ Upgrade with the intent of minimum disturbance to the Dwellings and the day to day lives of the Informal Settlers.
- 5.4 In the case where the removal, or relocation of a dwelling (or any other structure), is required in the Upgrade process the relevant informal settler(s) will bear the full cost of the required removal or relocation action.

6 LOT ALLOCATION PROCESS

- 6.1 Once an Informal Settlement has been upgraded, the Ministry will take the following steps to inform settlers of the opportunity to apply for Lot titles:
 - a. The Ministry will conduct a new socio-economic survey to reconfirm Informal Settlers' Household details as established in the baseline survey (Section 5.1). Informal Settlers will be encouraged to provide all the required documentation and information (as set out in 6.1. below) to assist with pre-assessment of eligibility.
 - b. Based on the information collected from the above survey, the Ministry will conduct property title searches and Household Income information verification with other relevant government ministries/ other institutions including the Fiji Revenue and Customs Service and the Fiji National Provident Fund.
 - c. A list of all Informal Settlers within the Informal Settlement and their preliminary assessment of eligibility ("**Lot Allocation Summary**") shall be presented to the Allocation Committee for approval.
 - d. The Allocation Committee ("**Allocation Committee**") shall be comprised of the following members (or their substitutes, nominated in writing to the Committee):
 - (i) Permanent Secretary for Housing and Community Development – Chair;
 - (ii) Director for Housing;
 - (iii) Director for Lands (when a decision is required for State Land) or the iTLTB Chief Executive Officer (when a decision is required for iTaukei Land);
 - (iv) Chief Executive of the Housing Authority.

- e. The Allocation Committee will screen all applications in accordance with this Policy and recommend for Invitation to Apply.
- f. All eligible settlers will then be issued with letters inviting them to apply for a Lot. Those not eligible will be informed of the decision with reasons and given seven days to submit their appeal to the Allocation Committee for consideration.
- g. Eligible Informal Settlers will then be required to submit a fully completed and signed application form (along with any outstanding documentation). No application fee shall be charged by the Ministry.
- h. The following documents and information must be provided to the Ministry, to support the application, by all applicants and resident Household members over 18 years old:
 - (i) Government issued photo identification (ID) document (Joint FNPF/TIN Card, Drivers licence, Voter ID or Passport);
 - (ii) Birth Certificate;
 - (iii) Marriage Certificate (if applicable);
 - (iv) Tax Identification Number Letter (if FNPF/TIN Joint Card is not provided as photo ID);
 - (v) Evidence of Household Income i.e. salary/wages slip, income tax assessment
 - (vi) Any other relevant documentation and/or evidence as required to verifying the income and/or means test of the applicants i.e. bank statements or assessment of significant assets.
 - (vii) A signed Declaration that all documents and information provided to the Ministry is true, accurate and complete.

Note: Provision of any false information will entitle the Ministry (under the False Information Act 2016) to recover any benefit that the settler has received under the Lot Allotment Policy, including the termination of the lease and/ or the recovery of any subsidy in the determined Allotment Price.

- i. The Allocation Committee shall make unanimous recommendation on the final Lot allocation to the Minister for final approval. Once the Minister has approved the final Lot allocation, the Ministry will issue offer letters to the successful applicants with details of the Lot Prices, the required lot allocation agreement contract with the Ministry and all related charges including any fees/ premiums charged by iTLTB or the Ministry of Lands as per the lot lease conditions.
- j. The Allocation Committee will also determine special allotment cases on case by case basis. For example, these special cases may involve the following circumstances:
 - Where the individuals in the Household, and or the Dwelling, have changed since the initial socio economic was conducted by the Ministry.
 - If two or more houses fall inside a Lot boundary after final survey, the allocation of the Lot shall be determined by the Allocation Committee, primarily based on the length of Informal Settler occupation i.e. the Informal Settler who was registered in the Ministry's initial survey and has the longer period of occupation will get first allocation priority. In

these instances the Allocation Committee will recommend relocation options for the other party.

- The Allocation Committee will also consider applications for any empty (or additional lots), created via the scheme plan and subdivision plan. Priority will be given to low income Households on the Ministry's waiting list.
- In the event more than one Household is occupying one Lot where there has been more than one application for lot allocation.

7 HOW THE ALLOTMENT PRICE WILL BE DETERMINED

7.1 Each eligible Household allocated a Lot within the Programme must pay Allotment Price to the Ministry for the allocated Upgraded Lot.

7.2 The Allotment Price payable for the upgraded Lot will be determined as per Table 1 below:

| Table 1. Government Subsidized Lot Prices | |
|--|--|
| Household Income range: | Charge determined by Government Subsidy level of: |
| A) Less than \$10,000 | 90% of the current market value of allocated lot |
| B) Between \$10,001 and \$15,000 | 80% of the current market value the allocated lot |
| C) Between \$15,001 and \$25,000 | 70% of the current market value the allocated lot |
| E) Between \$25001 and \$35,000 | 60% of the current market value of the allocated lot |
| F) Between \$35,001 and \$50,000 | 40% of the current market value of the allocated lot |
| E) Above \$50,001 | At current market value of the allocated lot |

7.3 The Allotment Price is inclusive of the initial land lease premium (paid to either iTLTB or Ministry of Lands) but excludes any subsequent fees/ premiums that may be charged which shall be added to the Allotment Price.

8 PAYMENT OF ALLOTMENT PRICE

- 8.1 Successful applicants must make full payment of the Allotment Price charged within the time frame outlined in the offer letter issued by the Ministry.
- 8.2 Payments will be addressed to the Ministry, unless finance has been arranged.
- 8.3 Applicants that require funding must arrange for settlement to take place within the time frame stipulated in the offer letter. Financing can be sourced from any commercial bank or Housing Authority. The Housing Authority financing assistance shall be available to all

applicants subject to meeting the Housing Authority lending criteria for low income earners.

- 8.4 The Ministry will provide a copy of the Current Market Valuation of the Lot as carried out by a Government valuer to assist in securing funding.
- 8.5 Lot recipients who are genuinely unable to secure funding due to lower disposable income levels may be given special consideration by the Ministry, for example a deferred, or extended, Allotment Price payment plan. Such cases are to be reviewed and approved by the Allocation Committee and endorsed by the Minister on a case by case basis.

9 USE OF ALLOTMENT MONIES

- 9.1 All Allotment Price monies paid to the Ministry, and/or settlement cheques raised by financiers, will be deposited by the Ministry into the Government's Consolidated Fund Account (CFA).
- 9.2 The Ministry will then seek the appropriation of these deposited amounts via the annual Government budget cycle, to assist with the upgrade of other Informal Settlements.

10 LOT LEASE CONDITIONS

- 10.1 All of the following lease conditions will likely apply to allocated Lots:
 - a) Lot lease land title must be under the name of both the applicant and the spouse/partner (if applicable);
 - b) the term of residential lease shall be 99 years and the Lot shall be used for residential purposes;
 - c) the applicant is required to construct and/or formalise the dwelling on the Lot within 24 months from date of allocation of the Lot lease, unless otherwise approved in writing by the Allocation Committee;
 - d) all buildings on Lots will be subject to the local Town Planning General Provision requirements for residential upgrading areas;
 - e) the Lot lease will be subject to the provisions of the State Lands Act 1945 (for State Land), Property Law Act 1971, Land Transfer Act 1971, iTaukei Land Trust Act 1940 (for iTaukei Land) and any other regulations made thereunder.

11 CONSTRUCTION OF HOUSING ON LOTS

- 11.1 All Lot recipients may apply for housing grant assistance offered by the Ministry provided they apply and meet the eligibility criteria.
- 11.2 The Ministry may provide information on design of lower cost residential buildings but will not be responsible for any construction works.
- 11.3 The approved applicant shall make their own arrangement for building financing and approvals, dwelling construction and arrange and pay the appropriate service connection fee to the utility providers.
- 11.4 The Ministry will raise awareness and offer guidance on building cost effective climate change and disaster resilient structures.

12 RESTRICTIONS ON ALLOCATED LOT SALE AND TRANSFER

- 12.1 To deter property speculation, Lot sales within the first 10 years of acquisition of the Lot will be subject to penalty payments as set out in the Lot Allocation Agreement signed with the Ministry and by the lessor in the lease conditions.
- 12.2 These conditions will stipulate that any House sales within the first 10 years of acquisition of the Lot will result in the recovery from the lessee of the full Government subsidy applied to the cost of lot upgrade and any other lessor penalty payments.
- 12.3 The Ministry of Lands and iTLTB will monitor and ensure that all lease conditions regarding sale and transfer of title have been met prior to the formal transfer of land title. Due consideration will be given to the transfer of land to family or in the event of the death of the lessee/s within the first 10 years of acquisition of the Lot lease.

13 REVIEW OF THIS POLICY

- 13.1 The Ministry will seek to undertake a review of this policy at least every 3 years.