



THE STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

AFFORDABLE HOUSING PROGRAM PURCHASE ALLOCATION CRITERIA

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GLOSSARY OF TERMS

“**AHP Projects**” means projects classified as an Affordable Housing Project by the State Department of Housing and Urban Development and uploaded on BomaYangu..

“**Allocation**” means the process of being issued with a Unit in line with this document, for purchase.

“**Algorithm**” means the calculations used in the allocation of a Unit.

“**Bulk Purchaser**” means an organization that will purchase the Units in bulk. The Bulk Purchaser will be allocated Units strictly for the benefit of its members.

“**Civil Servant**” means a member of the civil service who qualifies for allocation of a Unit in line with this allocation criteria.

“**Civil Servants Housing Scheme (CSHS)**” means the scheme established under Civil Servants (Housing Scheme Fund) Regulations, 2004.

“**Contributor**” means a person who has been making contributions to the National Housing Development Fund.

“**Customer**” means a Contributor who qualifies for a Unit in line with this Allocation criteria.

“**Customer Journey**” means the sequential steps that the Customer who is allocated a Unit will go through until they occupy the allocated Unit.

“**Disciplined Forces**” means the Kenya Police, Kenya Prisons and Kenya Defense Forces (KDF).

“**Institutional Buyer**” means an organization that is public or private that provides a mortgage facility to its members for the purchase of a Unit. An Institutional Buyer will be allocated Units strictly for the benefit of its members.

“**Individual Contributor**” means a person making contributions to the National Housing Development Fund towards ownership of a home under AHP.

“**National Housing Development Fund (NHDF)**” means the Fund established under section 6 of the Housing Act where contributors make their contributions towards owning a Unit under AHP.

“**Purchase Allocation**” means the process through which Allocation of a house to a Contributor is undertaken

“**Qualify**” means the entitlement of a Contributor to a Unit upon fulfilling all the requirements.

“**Refund**” means the Contribution that will be given back to a Contributor or a Customer as the case may be.

“**Unit**” means an Affordable Housing Unit allocated to a Contributor.

1. INTRODUCTION

The Affordable Housing Program (AHP) aims to provide decent and adequate housing for citizens across the country in line with Article 43 (1) (b) of the Constitution which entitles every Kenyan to accessible and adequate housing, and to reasonable standards of sanitation. Given levels of availability of housing for citizens in the lower income brackets is well below existing demand, there is a need to create an allocation criterion that is fair, transparent, accountable and equitable, in accordance with Article 227 of the Constitution.

2. CHALLENGES OF ALLOCATION

These include:

Equity, fairness, transparency and accountability

Housing is a fundamental right of every Kenyan Citizen under the Bill of Rights in the constitution of Kenya and the Bill of Rights binds all state organs and persons. Further every citizen has a right to equal treatment and freedom from discrimination. The constitution also requires government institutions to conduct their businesses in a manner that ensures transparency and accountability.

Information to members of the public

Information to the members of the public should be sufficient. Under the Values and Principles of Public Services, the State Department of Housing and Urban Development is obligated to ensure provision of timely, accurate and relevant information to the public.

Automation

Automation and technological advancements are a critical factor hence requiring continuous upgrading to enhance efficacy of allocating the units.

Difficulties in meeting eligibility criteria

Challenges faced by applicants in meeting eligibility criteria within the specified period may lead to delays in uptake of properties. These challenges include raising the necessary finances.

Capacity Utilization

Under the Values and Principles of Public Service in the Constitution, SDHUD is obligated to ensure efficient, effective and economic use of resources to maximize capacity utilization of its properties.

3. SCOPE AND OBJECTIVES OF THE POLICY

SCOPE OF THE POLICY

This policy shall apply to projects where the National government has provided land.

Objectives of the policy

The objectives of the policy are as follows:

1. Promote equity, transparency and fairness in allocation of the units.
2. Develop criteria for identification, qualification and selection of successful applicants.
3. Promote equitable access to housing by vulnerable groups and marginalized groups.
4. Promote sharing of accurate information on the allocation process.
5. To ensure optimal capacity utilization.

4. POLICY STATEMENT

The allocation process of these houses is done in accordance with the constitution. The criteria would address the following concerns:

1. Equal right to housing: The criteria ensure that all citizens will be treated with equity with regard to allocation process.
2. Gender Equity: The criteria ensure that no one is discriminated on the basis of gender in the allocation process.
3. National diversity: The criteria ensure that the houses are sold equitably to applicants irrespective of the location of the projects in a manner that reflects the face of Kenya.
4. Transparency and accountability: The criteria will be open and transparent, understandable and applied equally upon all interested applicants.
5. Marginalized and vulnerable applicants: The criteria take into account the interests of vulnerable applicants who are disadvantaged with regard to access to decent and affordable housing. These applicants include:
 - a) Persons in low income segment;
 - b) Persons with disabilities
 - c) Widowed
 - d) Single parents

AFFORDABLE HOUSING PROGRAM ALLOCATION PROCESS

The allocation criteria shall consider certain key factors that are central to broader aims of the AHP among which are:

- Allocation has to consider a multi-criterion based on a diverse set of attributes so as to achieve the aim of non-discrimination.
- Allocation will be based on one individual contributor getting one home except where citizens apply as households.
- Individual and/or households can only benefit once from the program.
- Allocation has to consider individuals with different income levels and ability to pay for the Units i.e. social, affordable, low-cost and mortgage gap, so as to have integrated housing developments. The program does not want to create ghettos; so mixed income criteria has to be considered.
- Attributes have to reflect diversity of citizens so that housing developments are inclusive and provide opportunity to qualified citizens.
- Attributes shall be kept simple so that the criteria are easy to apply/operationalize as an

algorithm. The use of an algorithm (Point system) will allow for limited human interference in the allocation process which is important for transparency and impartiality.

- Attributes that are important in the application criterion include:
 - Income profile and ability to pay (i.e. social, low-cost, mortgage gap, middle-to-high income).
 - Priority groups(e.g. Former occupants of the Units with official letters)
 - Social factors such as:
 - Family structures (e.g. families with 4 or more children, families with less than 4 children, single parent families, singles and youth, etc.).
 - Vulnerable groups (e.g. people with disabilities, elderly, child-headed households, etc.).
 - Mode of purchase (i.e. mortgage, tenant purchase scheme (TPS), cash).
- Allocation process has to consider qualification as outlined in the BomaYangu Customer Journey.
- Allocation process has to be clear on how selection of Units on certain floors will be conducted especially because certain areas in a development are more popular than others.

5. BOMAYANGU QUALIFICATION CRITERIA

In order for you to qualify for Purchase Allocation, you must meet the following conditions:

- Be a Kenyan citizen aged 18 years and above.
- Be registered on the BomaYangu portal
- Have provided the required profile information including required attachments.
- Be registered with the Kenya Revenue Authority (KRA) and have a valid Personal Identification Number (PIN) issued by KRA.
- Be a contributing member for at least six (6) months.
- Have saved in your BomaYangu E-wallet at least 12.5% of the value of the home you wish to buy.
- Have not previously benefited from the AHP.
- Must reside in the Unit as noted in the rules on owner-occupancy. The option to occupy the house must be answered yes/no

It is important to note that you can only benefit once from the AHP. This means that if you purchase a Unit from AHP, you are not eligible to own another Unit. In the event that two or more Contributors of one household knowingly applied for multiple Units, they will forfeit the ownership of the Unit allocated fraudulent.

ALLOCATION COMMITTEE

There shall be an allocation committee whose role is to steer the process of allocation. Membership to be drawn from;

- NHC
- Housing department
- Slum upgrading and Social Housing
- IPDU- (Integrated project delivery unit)
- Legal
- Civil servants housing scheme fund
- Estates Department

MONITORING AND EVALUATION

The State Department of Housing and Urban Development shall monitor and evaluate the effectiveness of this Policy in addressing allocation process issues. This includes:-

- Formulating performance indicators against which actual performance will be measured
- Periodical measurement of the actual performance and comparing the results with the targets and
- Taking corrective measures to mitigate the observed deviation in performance

OPERATIONALIZATION

Automation Process

The allocation criteria will be automated by use of an algorithm to be developed by the BomaYangu developers under the guidance of the Technical Committee. The team should have extensive testing mechanism that should follow best practice and include testing using existing data to anticipate some of the application scenarios.

The allocation process when activated should consider any exceptions to the above noted principles as documented by the Technical Committee.

Audit Process

An audit process will be articulated to ensure that issues on fair application can be attested to by an independent party. This process should include factors such as monitoring for human interference, consistency of results, and ability of automated process to achieve aims of the program.

Communications

Communications on this process will be developed and applied as necessary. There needs to be communication on general principles on the allocation process as well as project specific details. Issues on BomaYangu portal will be amended according to the policy. A cut-off date for information updating will be published.

Amendments to The Policy

It must be noted that this is a live document, and that changes will be made on an on-going periodic basis. These changes will be suggested by the appropriate committees from lessons learned on the ground and from data analysis from information shared by the public relating to access to housing. Any suggestions of changes to the policy will be made with the principles of fairness, transparency, accountability and equitability in mind and passed through the accounting officer for adoption.

Force Majeure

Any unforeseen circumstances that are beyond SDHUD's, the Contributors or the Customers (hereinafter all referred to as "**Party**" or "**Parties**") control and could not be reasonably foreseen making performance of this Allocation Criteria impossible in part or wholly shall be deemed postponed upon notification of an occurrence in writing by either Party. A reasonable period to continue performance of this Allocation Criteria shall be agreed by the Parties

RELATED POLICIES, PROCEDURES AND REFERENCES

Procedures and guidelines

This Policy should be read in conjunction with related SDHUD ISO procedures, manuals and guidelines.

Related Policies and Procedures

This policy is related to the following policies and manual
Civil servants housing scheme fund allocation criteria.

References

This Policy made reference to the following:
Constitution of Kenya 2010
Housing Act section 6
Kenya Integrated Household Budget Survey 2015/2016
Kenya National Bureau of statistics 2019 Economic Survey

CONCLUSION

Allocation Policy addresses pertinent issues affecting the allocation of units by SDHUD. It proposes measures that will tackle challenges encountered in the process of allocating houses to various groups of the society in an equitable manner, It also underscores the need to monitor and evaluate all the operations geared towards equitable allocation of units.

It is the responsibility of the Board and the Management to ensure that the Policy is adhered to. This also calls for formulation of procedures and guidelines to operationalize the Policy.

PURCHASE ALLOCATION CRITERIA APPLICATION

When does this process apply?

These Purchase Allocation criteria apply where National government has provided land for projects. However, these Purchase Allocation criteria shall not apply to the Slum Upgrading and Social Housing program.

Proposed Rules on Hierarchy of Application

The allocation criteria will have a hierarchy of application which is noted as follows:

A. Income Brackets

The aim of this application is to ensure integration among different economic classes and achieve balance in allocating Units among the target income brackets; thus, accounting for fairness in the process.

The 2019 Economic Survey published by the Kenya National Bureau of Statistics (KNBS) notes that the majority of formally employed Kenyans earn between KES 20,000 and KES 49,999 per month. As noted in the table below, the Purchase Allocation criteria will consider availing number of Units based on the individual income distribution with the highest allocation going to the low-cost and social income brackets.

Table1: Proposed Allocation based on Income Brackets

Categories	Income brackets (per month)	% of formally employed	Proposed % of Units allocated
Social	KES 0–19,999	9.94%	10%
Low cost	KES 20,000–49,999	64.53%	65%
Mortgage Gap	KES 50,000–99,999	22.64%	20%
Middle-to-High	KES 100,000 and above	2.89%	5%
			100%

B. Priority Groups

The allocation process will prioritize those groups who have signed Memorandums of Understanding (MoUs) with the State Department through their institutions. These include: Civil Servants; Disciplined Forces; documented former occupants of the land on which the Units are built; and applicants on the waiting list who missed out on the Allocation of Units in the preceding AHP Project.

In these instances, priority groups will be provided with the number of Units that they have been allocated, after which existing policies will be applied. For instance, Civil Servants Housing Scheme has been designated as a priority group, but it has an existing allocation policy. If CSHS is provided with 100 Units, for those 100 Units, CSHS will be allowed to apply its allocation criteria and these results will then be transmitted through the BomaYangu portal to members.

Table2: Proposed Allocation based on Priority Groups

Categories	Proposed % of Units allocated	Qualification Criteria
Civil Servants Housing Scheme and Disciplined Forces (Police, Prisons & KDF)	TBD	Will use own criteria
General Public	TBD	BomaYangu Qualification Criteria
	100%	

Notes:

- 1 –where categories will use their own criteria to allocate individual Units, the institution will be required to agree to the AHP terms and conditions requiring them to adhere to the spirit of qualification criteria of BomaYangu as well as Article 227of the Constitution

2 –The Technical Committee will determine the proposed percentage (%) of Units to be allocated across the various priority groups on a project-by-project basis and communicate the allocation widely.

C. Social Factors

The allocation process will consider key social factors including:

- Income and ability to pay for the Units applied.
- House typology chosen by the applicant.
- Allocation for households and different familial-type structures:
 - Large households (where there are two adults and 4 or more children/dependents).
 - Average households (where there are two adults and less than 4 and/or no children/dependents).
 - Single parent households (where there is one parent as head of household).
 - Singles (being unmarried, divorced or widowed with no children or dependents) and Youth.
- Allocation to protected and vulnerable groups such as people with disabilities (PwDs), elderly, child-headed households, etc.

Mark as footnote: (According to the 2015/2016 Kenya Integrated Household Budget Survey published by KNBS, the average household size nationally is four (4) persons with a higher rural mean at 4.5 persons and 3.3 persons as the average urban household size. The distribution of households with 3–6 persons is about 53% while households with 1–2 persons stand at about 31.6%. Large households with 7 or more people nationally stand at 15%. In light of this statistical information, the percentage of Units to be allocated should be highest for average sized families i.e. with 0–3 children with nearly equally allocation provided for both large households and those with 1–2 persons respectively.

There is a recognition that as the AHP has aims to protect vulnerable groups that some allocation should be provided including single parent families who would have a greater decent housing need given dependence on one income.

Additionally, in the interest of creating inclusive and socially balanced neighborhoods, the inclusion of households headed by the elderly, people with disabilities (PwDs), and children has been considered as well.)

Table3: Proposed Allocation based on Social Factors

Categories	Proposed % of Units allocation
Large Households(4 or more children/dependents)	15%
Average Households(0–3 children/dependents)	40%
Single Parent Households (either Mother or Father)	10%
Singles and Youth	15%
Vulnerable Groups	10%
<ul style="list-style-type: none"> • Child-headed households 	
<ul style="list-style-type: none"> • Elderly 	
<ul style="list-style-type: none"> • PwDs 	
	100%

It is important to note that if at point of applying the computer Allocation process, there are no Contributors who meet the criteria, then the Units will revert to the largest pool of Contributors within the category for re-allocation. This means, for instance, if there are no child-headed households, then the Units allocated will be put towards the elderly and PwDs.

This criterion answers the question of transparency and equitability in allocation of Units.

Purchase Allocation process application

The Purchase Allocation process application begins when a member registers on the BomaYangu portal and provides the required information.

Once a Contributor of the AHP has met the qualification criteria as provided in *Section3* above, they will be put on the AHP Purchase Allocation Waiting List once they have completed saving for the 12.5% deposit on the house they would like and this money is available on their BomaYangu e-wallet. This waiting list will have a system generated timestamp noting the time that a Contributor fulfilled the conditions required to be eligible for Purchase Allocation and specifically when their e-wallet had the 12.5% deposit.

The Units will thereafter be allocated according to the time ordered AHP Purchase Allocation Waiting List.

It must be noted that the AHP Purchase Allocation Waiting List will include information on which type of Unit a Contributor qualifies for. In addition, Contributors will only be considered for allocation where they have expressed interest in a particular project.

Once a Contributor has been allocated a Unit, they will be removed from the AHP Purchase Allocation Waiting List. Contributors can only get back on the AHP Purchase Allocation Waiting List, if they forfeit an allocated Unit as per provided guidelines.

Purchase Allocation of Units based on typology

For projects under the AHP, information on the individual developments will be provided on the BomaYangu portal and details disseminated over various media as required. The number, typology, and sizes of Units available will be provided.

At the point of registering interest in a particular project, Contributors will see the type of Unit they qualify for based on income profile provided in BomaYangu. Therefore, when they login to a project, Contributors will be able to see whether they qualify for a one-bedroom or a two-bedroom, or a three-bedroom Unit. This income profile can be updated from time to time as communicated to the public.

It must be noted that Contributors will be notified of the Unit they have been allocated. This communication will have information on next steps after allocation as well as the terms and conditions.

Purchase Allocation of Units on various floors in a building

For allocation of Units based on number of floors within the development, once a Contributor has been notified of their allocation, it is recommended that they be sent a notification to select the floor in which they would like their Unit to be. This means that selection across the floors of the building will be on a first-come, first-served basis.

The BomaYangu team will provide updates, via the Portal, on the progress of uptake of Units by floor.

Exceptions to the Proposed Rules on the Hierarchy of Application

Any exceptions to the proposed rules in the hierarchy of application as captured in *Section 4.1* above should be well documented by the Technical Committee and made part of the communications on allocations for each particular project.

Appendix 1:1 Allocation criteria for Individual contributors, Tenant Purchase System and Mortgage buyers

Item	Requirements and considerations	score	Remarks
I	Requirements		
a)	Applicant's Mandatory requirements: <ul style="list-style-type: none"> Applicant must be registered on the BomaYangu portal. Must be a Kenyan citizen aged 18 years and above. Must be registered with the Kenya Revenue Authority (KRA) and have a valid Personal Identification Number (PIN) issued by KRA. Must be a contributing member for at least six months. 	Yes	Proceed to next level
		No	Disqualified
b)	Previous AHP Sale: <ul style="list-style-type: none"> Non-beneficiary Beneficiary 		Proceed to next level
			Disqualified
c)	Target Income Group: <ul style="list-style-type: none"> Applicant is from target Group per Designated House Typology Applicant is from non-target Group per Designated House Typology 	4	Where the Scheme is not for a target group, all applicants will be awarded all the 4 marks.
		0	
d)	Applicant's ability to pay: <ul style="list-style-type: none"> Must have saved on the Boma Yangu E- wallet at least 12.5% of the value of the home you wish to buy. Applicant attached evidence: Certified copies of the Pay slips (last three months) and/or, Certified Bank Statements (last six months) and/or, Audited Accounts (a maximum of 25% of Gross Income) CRB Report 	Yes	Proceed to next level
		No	Disqualified
		Yes	Proceed to next level
		No	Disqualified
		Yes	Proceed to next level
		No	Disqualified
II	Other considerations		
a)	Marital Status: <ul style="list-style-type: none"> Single without Children Single with Children Married without Children Married with Children Widowed with Children Widowed without Children 	3	
		5	
		5	
		6	
		6	
		3	

b)	Affirmative Action:		
	• PLWD	5	
	• Marginalized, Elderly and Vulnerable Groups	5	
c)	Current Housing Status:		
	• Renting a house	5	
	• Owning a house	0	
	TOTAL POSSIBLE SCORE	20	
	NOTE:		
	The following will be considered after the list of qualifying applicants has been determined:		
	• Ethnic mix (Ensuring the face of Kenya is reflected).		
	• Gender Balance (Not more than 2/3 of either Gender of qualifying applicants should be allocated, where possible).		

Contribution 12.5% of sale value and time stamp and weighted social economic points.

Appendix 1:2 Allocation criteria for Outright Purchasers

Item	Requirements and considerations	score	Remarks
I	Requirements		
e)	Applicant's Mandatory requirements: <ul style="list-style-type: none"> Applicant must be registered on the BomaYangu portal. Must be a Kenyan citizen aged 18 years and above. Must be registered with the Kenya Revenue Authority (KRA) and have a valid Personal Identification Number (PIN) issued by KRA. Must be a contributing member for at least six months. 	Yes	Proceed to next level
		No	Disqualified
f)	Previous AHP Sale:		
	<ul style="list-style-type: none"> Non-beneficiary 		Proceed to next level
	<ul style="list-style-type: none"> Beneficiary 		Disqualified
g)	Target Income Group:		
	<ul style="list-style-type: none"> Applicant is from target Group per Designated House Typology 	4	Where the Scheme is not for a target group, all applicants will be awarded all the 4 marks.
	<ul style="list-style-type: none"> Applicant is from non-target Group per Designated House Typology 	0	
h)	Applicant's ability to pay:		
	<ul style="list-style-type: none"> Must have saved on the BomaYangu E- wallet at least 12.5% of the value of the home you wish to buy. 	Yes	Proceed to next level
		No	Disqualified
	<ul style="list-style-type: none"> CRB Report 	Yes	Proceed to next level
		No	Disqualified
II	Other considerations		
d)	Marital Status:		
	<ul style="list-style-type: none"> Single without Children 	3	
	<ul style="list-style-type: none"> Single with Children 	5	
	<ul style="list-style-type: none"> Married without Children 	5	
	<ul style="list-style-type: none"> Married with Children 	6	
	<ul style="list-style-type: none"> Widowed with Children 	6	
	<ul style="list-style-type: none"> Widowed without Children 	3	
e)	Affirmative Action:		
	<ul style="list-style-type: none"> PLWD 	5	
	<ul style="list-style-type: none"> Marginalized, Elderly and Vulnerable Groups 	5	
f)	Current Housing Status:		
	<ul style="list-style-type: none"> Renting a house 	5	
	<ul style="list-style-type: none"> Owning a house 	0	

	TOTAL POSSIBLE SCORE	20	
	NOTE:		
	The following will be considered after the list of qualifying applicants has been determined:		
	<ul style="list-style-type: none"> • Ethnic mix (Ensuring the face of Kenya is reflected). 		
	<ul style="list-style-type: none"> • Gender Balance (Not more than 2/3 of either Gender of qualifying applicants should be allocated, where possible). 		

Contribution 12.5% of sale value and time stamp and weighted social economic points.