

Mr Cedric Van de Merwe
Legal Adviser,
City of Johannesburg

26th September 2014

By email: cedricv@joburg.org.za
cc. MbuleloR@joburg.org.za
cc. ThaboMa@joburg.org.za
cc. KrishniG@joburg.org.za

Dear Cedric,

Re: Comment on Draft CoJ Special Rating Areas (SRA) Policy and proposed SRA Bylaw.

We are in receipt of the recently approved CoJ Draft SRA Policy and proposed bylaw and wish to make comment thereon.

While we understand that, currently, the Municipal Property Rates Act (MPRA), in particular section 22, is the only piece of National legislation that can be used as a framework for the establishment of a statutory sustainable urban management vehicle policy and bylaw, we wish to record that we do not think it an ideal piece of legislation. This because the resulting SRA is a local authority driven initiative that seeks private sector support and not a community driven initiative that seeks local authority support.

This being said, we appreciate the effort that has been made to try to overcome some of these concerns and, in the current absence of more appropriate National Legislation, wish to work together with CoJ in the implementation of such a policy and bylaw.

It is in this context that we comment on The Draft Policy and Bylaw

Specific comments and requests for clarity on the Policy

- Definitions – “Rateable Property” has the meaning assigned to it in section 1 of the MPRA” Please see my later comments re sectional title and municipal and state property. Is there any way that this definition could be “changed” for the purpose of SRA establishment?
- 1.4 Could this include a rates rebate for SRAs in terms of an SLA with the SRA such as that of 4.9 of the Nelspruit Rates policy attached?
- 2.3 We are agreed that that we need to ensure best practice and transparent process in the appointment of service providers. Do you have a guide for this or would you like The JHB CID Forum to provide such for your approval?
- 4.4 How does the CoJ envisage “helping to capacitate management bodies”? Could the CID Forum help here?
- 5.7 Can you give some guidance as to whom you might consider to represent “community”? We wish to discuss this further
- 6.1 In theory we agree to the possibility of generally adhering to CoJ exemptions, rebates and reductions, however there is one concern. Currently (changes periodically) municipal property, certain other government owned property and certain institutions are exempt

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from rates. In terms of making an SRA viable, we are of the opinion that all owners of property should contribute to the work of the Management Body as they are also benefitting therefrom. We would wish to discuss this further

- 6.3 We seek clarity on this, but presume this would mean that the debt would be included in the issuing of a clearance certificate
- 8.1.2 While constitutionally this is correct – surely the “Members”/SR payers must agree to the level of the additional rate ie have a strong say in the setting thereof?
- 8.2.2 Do you have a standard MOI to suggest or would you like the JHB CID Forum to propose one for consideration?
- 8.2.3 We seek specific knowledge of such requirements/relevant legislation
- 8.2.5 We suggest to take out “one Afrikaans daily newspaper” and the rest of the wording remain
- 9.1.4 and other sections. Would it be possible to appoint a dedicated person in the office of the CM/CFO to attend to all these issues?
- 9.1.6 We welcome CoJ providing the full data base of property owners in SRA area, however our experience is that these data bases are often not more than 50% accurate. This means the cost to the SRA “Members” to verify this data could be considerable. It is in the interest of CoJ to get this data correct. Often the members are more able to collect the correct data. So while it should be the responsibility of members/steering committee to work with CoJ to get this data correct, we do not feel the cost should be carried by the members
- 9.1.8 Please clarify what is meant by “satisfied”
- 9.1.9 What format should this survey take? Would it be a Perception survey? If so, would you expect to give SRA steering committee a template to use or would you like The JHB CID Forum to prepare one for consideration or expect each SRA committee to compile their own appropriate for their community?
- 9.1.10 Certainly, without knowing base level services provided by CoJ departments the SRA members could not propose “Top Up” services they would provide. Would this be a signed SLA? Presumably CoJ would agree not to reduce service in an SRA? Would these levels be on CoJ score cards – how would the SRA be able to monitor/manage these commitments? We wish to have further discussion on this section
- 9.2 as well as other sections . Is this a public meeting? Surely this is a “Property Owners/ Members” meeting?
- 9.3.1 Do you have a “consent form” or would you like the CID Forum to develop one for approval?
- 9.4.3 Do you have a list of FAQs – would you like us to suggest a standard list?
- 9.4.4 Presumably this is to fit in with CoJ budget dates – does this mean that the SRA become a MOE? Would the NPC have to have June Year end?
- 9.6.3. Are you saying that the “effective date” can only be 1st July?
- 10.1.10 “members of local community” should read “owners of ratable property.....”
- 10.3.1.2 Please explain. Would that not automatically be reflected in the municipal value and so in turn to the rate in the rand apportioned to each property?
- 11.3 Presumably financial year end has to be June? While it is normal practice to submit year end financials within 2 months of year end in terms of the NPC MOI, the companies act allows for postponements under certain circumstances. Surely these should also apply?
- 11.6 Does this mean the SRA is an MOE?
- 14 Section of 16 of the Bylaw is correct in respect of the SRA and the NPC. They are two separate entities governed by two separate pieces of legislation

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- 15.1 and 15.3 I will deal with these when I make comment on the bylaw

Specific comments on the Bylaw

- Definitions “ratable property” In the MPRA sectional title owners are “owners of ratable property” If this definition is used in this Bylaw it will be impossible to establish an SRA in an area with a high proportion of sectional title owners – generally in high density residential areas such as Hillbrow/Berea and Yeoville. Likewise, if non-ratable property include local government or any property belonging to the state it will be impossibility/not viable to establish an SRA in an area with a high concentration of such properties eg Randburg. We recommend having a specific definition of property owner in such areas for the purpose of establishing an SRA. This needs further discussion
- 4(3)(b) as per comment above on SRA policy – this is not a public meeting but a meeting of owners of ratable property.
- 5 As above
- 7 (1) (b) “pre-paid registered mail” is expensive and ineffective. Please delete. The rest of the wording to remain
- 11 (5) (7) see previous comments on policy
- 12 The collection of SRs by CoJ is the most contentious issue! Do you have a sample of such a finance agreement? Understanding that this is a constitutional requirement of using the MPRA, we are willing to work with you to develop such an agreement.
- 13 as per suggestion on policy above, would you consider a dedicated official in the office of the CM/CFO or is this a constitutional requirement?

We ask that you urgently respond to this communication so that we can immediately start to work together to resolve these issues to the benefit of both the City of Johannesburg and owners of rateable property/potential SRA members.

Yours sincerely,



Anne Steffny
Facilitator : The Johannesburg CID Forum

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