

“CID” LEGISLATIVE FRAMEWORK - CoJ

Update November 2020

The JHB CID Forum is an initiative of The Johannesburg Inner City Partnership.
The JICP is a registered Not for Profit Company, reg no. 1996/001262/08
P.O.Box 1314. Saxonwold. 2132



Johannesburg
CID FORUM

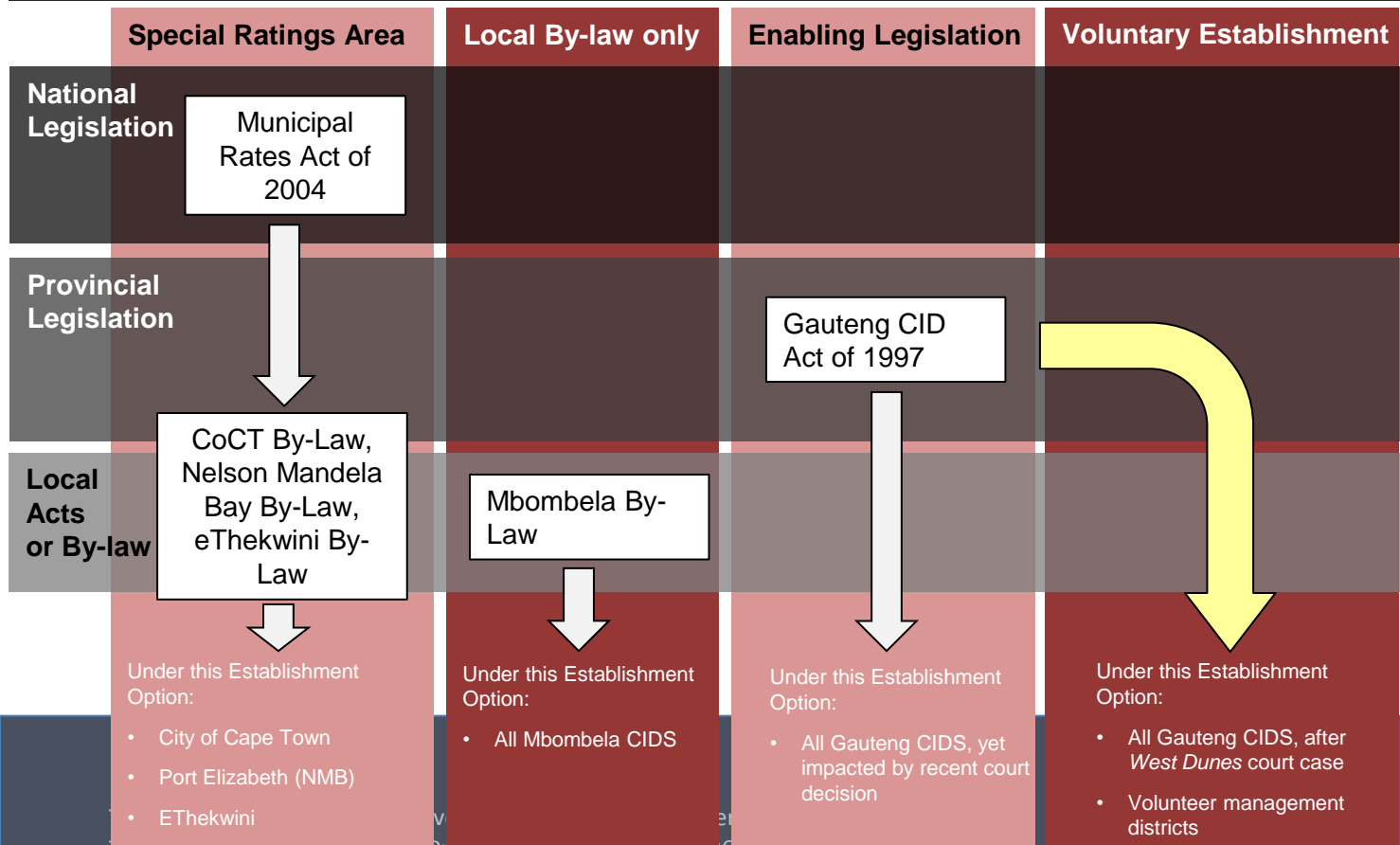
2015 JHB CIDs ASKED TO GO VOLUNTARY!

- Gauteng CID Act found to be open to constitutional challenge
 - Levy defined as a rate/tax
 - In terms of constitution had to be collected by state/local authority.
- City asked **ALL** legislated CIDs to go voluntary
 - No CoJ formally recognised structure – no CoJ official on the Board
 - No way to require all property owners to contribute
 - “CID” Budgets limited. Service provision cut

S.A. Legislated Urban Management

Constitution

- Municipalities are established under Chapter VII of the Constitution and read with the Municipal Systems Act of 1998, it provides the framework for valuing property and imposition of rates on property from Section 229 (2)(b) the Constitution.



- What are the main urban management outcomes for SA?
- Does the current legislative environment enable the above?
- If not, will area-based public-private partnership legislation close the gap?
- What are the key principles for the intended legislation that will enable the above stated urban management outcomes?

LEGISLATIVE FRAMEWORK - SRA/CID'S/UIPs

Depends where you are in SA

- Western/Eastern Cape & now Gauteng – SRA Policy & Bylaw (<https://www.capetown.gov.za/Family%20and%20home/residential-property-and-houses/private-properties/special-rating-areas>)
- Nelspruit By-law
- KZN – Urban Improvement Precinct moving to SRA Policy

Principles of SRA POLICY & Bylaw (section 22 MPRA)

- 50%+1 “Yes” vote owners of rateable property as depicted in MPRA
- 3/5 Yrs. B.P – Vision, Top-Up Services, Management structure, Costs, Projects etc – informed by survey
- Contribution is an additional rate pro-rata to municipal value an definition of rateable property
- City to provide base service SLA
- Management body to be Not for Profit – governed by Companies Act
- Rates must be 95% up to date

WHERE ARE WE IN JHB NOW?

- SRA Bylaw and Policy approved/Gazetted Feb 2020
- COJ Internal Task Team, ToR, SOPs agreed October 2020
- Intention to meet with CID Forum representatives and work out the detail
 - Timing – has to fit in with CoJ timetable! Missed Sept 2020!
 - Definition of rateable property. State owned property. Sectional title
 - Financial agreement
 - Requirement for rates to be 95% up to date

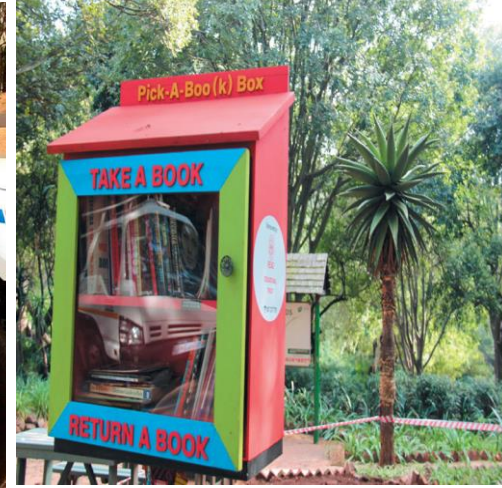
VOLUNTARY STATUS - SILVER LINING!

- **NPC DIRECTORS APPLIED THEIR MINDS!**
- **NEW MANAGEMENT MODELS**
 - Management Companies
 - Own Manager
 - Own Operations Manager – living in the area
 - Bring certain services in-house
 - Out source all services
 - A combination of all or some of the above
- **INCREASED AWARENESS of COMMUNITY**
- **NEW WAYS OF WORKING WITH CITY COLLEAGUES**
– realisation that SRA Bylaw not suitable for all



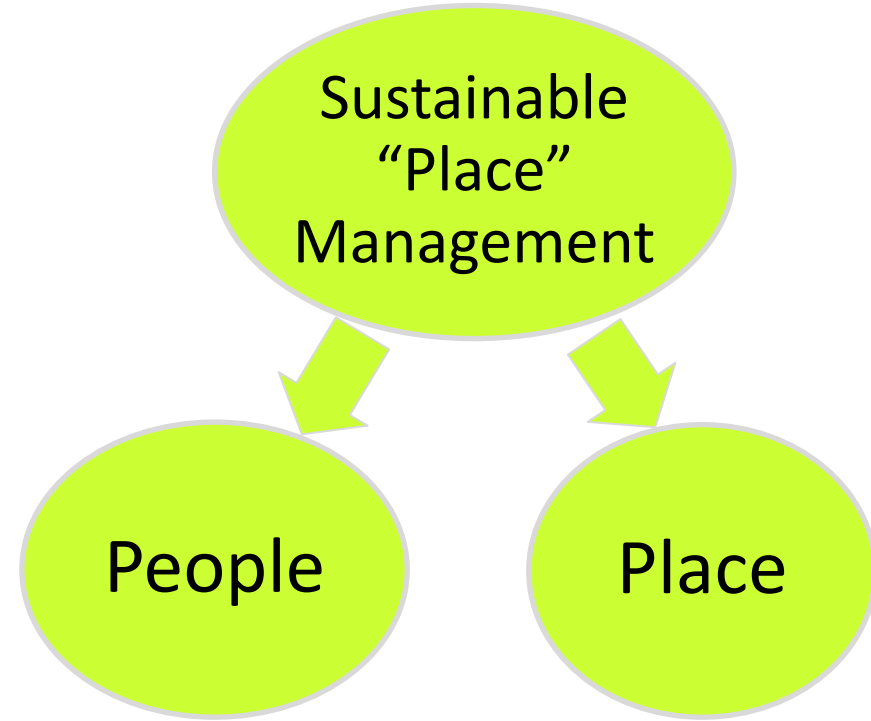
CONCLUSIONS

- Voluntary Management Initiatives are not sustainable.
- Working with CoJ for the 3 years to legislate Special Rating Area Policy & By Law.
- Sustainable “Precinct Management” requires a legislative framework: formal Partnership between Private & Public Sector: definition of the roles of the private and the public sector
- There are many ways of “formally” partnering
- Need to explore Legislation that offers options to Precincts/Communities & Municipalities in different stages of development



CONCLUSIONS

- Together, Private & Public Sector Stakeholders need to continue TO LEARN & SEEK appropriate sustainable models for the co-management of Place – shift our world view from seeing precinct management as servicing people and place in two separate streams, to linking people and place under our management efforts
- Broaden the conversation
 - Shared learning & best practice
 - Knowledge platform, library, case studies, templates
 - Education, training, professionalisation at all levels



THE WAY FORWARD

DISCUSSION

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