THE JOHANNESBURG CITY IMPROVEMENT DISTRICTS - A CASE STUDY

JULY 2019

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.
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JOHANNESBURG FACTS

- Official Population – 5 million
- Square kilometres – 1,648
- People per square kilometre – 3,003
- Females – 50% - Males – 50%
- Aged above 18 - 69%; below 18 – 31%
- Informal Households - 18%
- Youth Unemployment – 35%
- Below Poverty Line – 44%
MID 90’S URBAN INFLUX

• Post 1994 SA population requiring services increased by more than 50%
• Rapid urban influx - 65% of SA population living in Urban areas
• Development/Investment flight
• City services and infrastructure stretched to the limit within ‘feasible’ tax regime and delivery capacity
• Property owners realised the need to mobilise local resources to supplement municipal services
SEEKING SOLUTIONS TO THE CHALLENGES

Joint Overseas Study Tour

Private → Public
AGREE CORE ROLES

<table>
<thead>
<tr>
<th>Public Sector</th>
<th>Private Sector Role</th>
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<tbody>
<tr>
<td>Legislative framework + enforcement</td>
<td>Contributes to sustainable urban management through the provision of top-up and complementary services in public space</td>
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<tr>
<td>Collection of municipal rates and taxes</td>
<td>Contributes to building social cohesion and ‘functioning community’</td>
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<tr>
<td>Community services – health, safety, education and social services</td>
<td>Works in partnership with local municipality on agreed projects including the monitoring and management of agreed plans</td>
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<td>Trading Services – electricity, water, refuse</td>
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<tr>
<td>Service provision – bulk infrastructure - electricity, water and waste management</td>
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50%+1 “Yes” vote by property ownership and municipal value in a defined area

3 Yrs B.P – Vision, Services, Management structure, Costs, Levy apportionment, Projects etc – informed by survey

Enhance and supplement municipal services, policy and strategy

City to provide base service SLA

Management body to be Not for Profit

- Board predominantly property owners
- One City Representative
- Governed by The Companies Act

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1998 FIRST CID – ROSEBANK

- Not classified as degenerated but challenged by poor Urban Management – especially taxi’s and informal trade management
- Increased mixed and use investment
- Huge Retail and Tourism Boost
- 2008 Lower Rosebank, predominantly residential, established – planning for Gautrain focussed the minds!
- Two CIDS Managed together
19 LEGISLATED CID’s by 2012

Sandton – Commercial: Business

Legae La Rona – Residential

Braamfontein – Mixed: Corporate: Student

Wynberg - Industrial

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1998 – 2012 MANAGED BY ONE MANAGEMENT COMPANY

Managed the Company, Stakeholder Relationships, Service Providers. Offered access to in-house experts

Each CID:

- Own management body – a not for profit company (NPC)
- Own Vision
- Own Business Plan
- Tendered for Services
- Own management/“ops” team
- Own Full Financial Management
PARTNERSHIPS - PUBLIC SPACE UPGRADES

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PARKS, SPORTS AND RECREATION

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ART & HERITAGE PARTNERSHIPS

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STREET TRADING & TAXI MGMT. PARTNERSHIPS

• Management in partnership with authorities
• Registration
• Education
• Community involvement
• Facilities
2013 JHB CID FORUM ESTABLISHED

• To be the representing and coordinating body for it’s members
• Maximise economies of scale and relationships, so the JHB CIDs could more easily focus their limited budgets on Place Making. Facilitate and Implement appropriate partnerships
• Establish and uphold standards for CID Management and CID establishment - Ensure that members act in terms of best practices
• Share knowledge and experience
• Campaign and lobby on behalf of members – SLA, Legislation, CoJ support for CIDs etc
The JOHANNESBURG CID IMPACT STUDY (2016)

- Collected R91m levies annually 2011-2015
- Provided investment +R50m in public space physical upgrades
- Created jobs and supported local economic development
- Contributed to social and community development
- Crime comparatively much lower than in the wider police sector.
- Created a much cleaner more beautiful urban environment.
- 2011-2015 CIDs attracted an estimated R42b in private investment in built form
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
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**
A BETTER UNDERSTANDING OF “COMMUNITY”

• Not just Property owners!

• Community, residents, faith based organisations, tenants, jobless, homeless,

• Question - How can we use the Community assets better to create community and social cohesion? How can we build on what’s in our place?
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LEARNINGS

• Place Vision/Common Goals need to be developed and agreed by as broad spectrum of stakeholders as possible - as early as possible in the process and worked into the service delivery plan and budget
• Can start from top down to bottom up – need to identify the common agenda and agree to “meet” over time on the related goals
• Great to have flexibility in how “members” are obliged to contribute
• Can be private sector or public sector driven, but eventually must collaborate – interdependent!
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JHB CID FORUM STRENGTHENED

- Collegiate support!
- Shared learning & Best Practice
- Knowledge Platform
- Collaborative opportunities
- Seeks to professionalise the sector
- Collective Advocacy

www.cidforum.co.za
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
ALL FORCED TO APPLY OUR MINDS

- What is Urban/Place Management?
- What are the different definitions of precincts?
- What does “Legislative framework” mean for different precincts at different stages of development/with different characteristics?
- What are the different funding models?
- How do we ensure professionalisation of this sector?
- How do we ensure institutional memory is retained?
CREATIVE FUNDING!

- Property owners?
- City budget?
- Provincial/National Budgets?
- Overseas Governments?
- Corporate budgets?
- National Lottery?
- Community, NGOs Faith Based Organisations?
- Time or Service instead of money?
NO EXACT “ONE SIZE FITS ALL”

Established - Sandton

Emerging - MABONENG

Degenerated – Hillbrow Berea
PROBLEM STATEMENT

“In the context of scarce municipal resources, how do municipalities support the operational management of key precincts which require services beyond what the municipality can equitably provide to all its citizens?”

“CID/SRA / UIP - a catalyst for mutual private / public sector benefit
Ensures an efficient management and maintenance approach to the precinct
Promotes a sense of ownership by the community”

*National Treasury: The Art of Precinct Management: A Municipal Guide*

“Local eyes and ears “on the ground” – possession of Place by the community is invaluable & that to be effective, structured communication about “Place Management” between Partners is required”

PRECINCT MANAGEMENT VISION

“Well managed, sustainable, resilient, accessible, vibrant, safe, walkable public spaces of opportunity that drive value creation, promotes social cohesion and inclusive growth”

*The South African Precinct Management Initiative (SAPMI)*
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 steams, 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

Sustainable “Place” Management

People

Place