

MINUTES OF THE INFRASTRUCTURE, SERVICES AND FACILITIES COMMITTEE

**MEETING HELD IN THE COUNCIL CHAMBER
ON WEDNESDAY, 27 JUNE 2007 AT 09:30**

PRESENT : Councillors M Dirks (Deputy Mayor - Chairperson), M Dladla, S Madonda, B Mazibuko, G McArthur, MB Mkhize, P Moon, M Msimang, Ranjit Singh and T Zondi.

ABSENT : Councillors H Kadir (granted indefinite sick leave due to ill health - as per Council Resolution), R Khanyile (no application for leave was received), R Ntuli (no application for leave was received) and BP Shozi (Ward Commitment).

ALSO PRESENT : Councillors WF Lambert and MH Steele, Messrs R Sibiya (Department of Housing), T Moremi (SALGA), Mesdames O Crofton (National Department of Housing) and M Thellane (Social Housing Foundation).

OFFICIALS PRESENT : Messrs F Grantham (Municipal Manager's Representative), P Mashoko (Strategic Executive Manager: Infrastructure, Services and Facilities), T Cowie (Process Manager: Infrastructure Planning and Survey), M Greatwood (Special Projects Manager: Greater Edendale Development Initiative -GEDI), K Thaver (Legal Adviser), B Naicker (Assistant Manager: Housing), Y Moodley (Co-ordinator: Housing Applications), Mesdames S Chetty (Co-ordinator: Housing Tenancies) and R Ramsumuj (Temporary Committee Officer).

1. **ALL WARDS: SOCIAL HOUSING FOUNDATION: NEW SOCIAL HOUSING POLICY: PRESENTATION ON PROVINCIAL RESTRUCTURING ZONES (14.P)**

- (i) Report dated 15 June 2007 by the Strategic Executive Manager: Infrastructure, Services and Facilities [ISF: 7/20/40].
- (ii) Presentation by Ms Odette Crofton (Head of Research: Social Housing Foundation) and the Department of Housing.

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The Process Manager: Infrastructure Planning and Survey provided Committee with a background of the new Social Housing Policy, after which he continued to introduce the representatives from the Department of Housing and the Social Housing Foundation who outlined the presentation in respect of the social housing policy; restructuring zones; the role of municipalities in Social Housing and the strategy for the social housing process in Msunduzi.

It was noted that the primary purpose of the Social Housing Programme was to contribute towards spatial, social and economic restructuring of South African cities.

Ms Crofton (Social Housing Foundation – SHF) made a point that funding for the undertaking of a demand and supply rental housing survey was available from the National and Provincial Departments of Housing if it was required. She further mentioned that essentially the aim was to upscale housing rentals and make them affordable.

It was subsequently

RESOLVED

That the Housing Delivery Sub-Unit be requested to present a briefing session to the Executive Committee on the New Social Housing Policy.

It was further

**RESOLVED TO RECOMMEND
TO THE EXECUTIVE COMMITTEE**

- (a) That the report dated 15 June 2007 by the Strategic Executive Manager: Infrastructure, Services and Facilities and the presentation as per Annexure C of this report be noted.
- (b) That the Phase 1 Programme which requires the identification of Provisional Restructuring Zones, be undertaken by the Strategic Executive Manager: Infrastructure, Services and Facilities in consultation with the relevant Ward Councillors, and the proposed Provisional Restructuring Zones (PRZs) be submitted to the Infrastructure, Services and Facilities Committee for consideration and acceptance by the end of September 2007.
- (c) That a task team be established to take forward the process of identifying restructuring zones in the City.
- (d) That the task team initiates the undertaking of a rental housing demand and supply survey.
- (e) That once (c) and (d) above have been achieved, the task team ensures that delivery agents are mobilised.

Councillors R Khanyile, R Ntuli and BP Shoji were not present when the above decisions were taken.

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The Representatives from the Department of Housing and the Social Housing Foundation concluded their presentation and left the Chambers at 10:48; at which point Committee adjourned for tea and reconvened at 10:57.

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2. **CAPITAL AND OPERATING ESTIMATES 2006/2007: THIRD QUARTER REPORT – 1ST JANUARY 2007 – 31ST MARCH 2007 (3.1.1)**

Report dated 08 May 2007 by the Strategic Executive Manager: Infrastructure, Services and Facilities (ISF: 1/18/6 [06/07][A]).

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It was

RESOLVED

That the 'Capital and Operating Estimates 2006/2007: Third Quarter Report – 1st January 2007 – 31st March 2007' be removed from the agenda as an updated

version of this report appeared on the agenda of the Full Council meeting that was scheduled for later that day.

Councillors R Khanyile, P Moon, R Ntuli and BP Shoji were not present when the above decision was taken.

3. **APPLICATIONS FOR LEAVE FROM THE CURRENT MEETING OF THE INFRASTRUCTURE, SERVICES AND FACILITIES COMMITTEE**

(Item 1 of agenda)

An application for leave was received from Councillor BP Shoji (ward commitment- assisting the community who was affected by severe weather conditions); it being noted that Councillor H Kadir was granted indefinite sick leave due to ill health.

Further apologies were received from the Manager: Housing Administration and the Manager: Housing Delivery respectively who were both on leave.

It was

RESOLVED

That Councillor BP Shoji be granted leave of absence from the current meeting of the Infrastructure, Services and Facilities Committee; it being noted that Councillor H Kadir was granted indefinite sick leave due to illness.

Councillors R Khanyile, P Moon, R Ntuli and BP Shoji were not present when the above decision was taken.

4. **CONFIRMATION OF MINUTES**

Meeting held on 13 June 2007.

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It was

RESOLVED

That the minutes of the Infrastructure, Services and Facilities Committee meeting held on 13 June 2007 be and are confirmed.

Councillors R Khanyile, P Moon, R Ntuli and BP Shoji were not present when the above decision was taken.

5. **OUTSTANDING MATTERS REPORT**

Report dated 13 June 2007 by the Strategic Executive Manager: Sound Governance and Human Resources.

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(a) **WARDS 10 - 23: EDENDALE ROADS UPGRADE PLAN (9.4.2.1)**

The Special Projects Manager: Greater Edendale Development Initiative (GEDI) advised Committee that a report on the status of the process of acquiring road reserves and tracks on privately owned land in Edendale was to follow at the next Committee meeting.

On this note, it was

RESOLVED

That the "Wards 10-23: Edendale Roads Upgrade Plan" item be removed from the outstanding matters report.

Councillors R Khanyile, P Moon, R Ntuli and BP Shoji were not present when the above decision was taken.

6. **KWAZULU NATAL RENTAL HOUSING TRIBUNAL – WILLOW GARDENS, ERICA AND NERINA (14.2.2)**

Report dated 11 June 2007 by the Legal Division.

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Councillor P Moon returned to the Chambers at 11:17.

The Legal Adviser (T) mentioned that no judgement had yet been handed down by the Rental Housing Tribunal in respect of the Erica, Nerina and Willow Garden Flats. He added that the issue of whether Council could proceed and implement its Credit Control Policy while this matter was still pending before the Tribunal was questioned.

It was noted that the Democratic Alliance (DA) Party did not support the extant resolutions as contained in the report dated 11 June by the Legal Division.

As a result, there was considerable debate over the Indigent Policy, rental arrears and the implementation of Council's Credit Control Policy regarding the Erica, Nerina and Willow Garden Flats.

The Democratic Alliance members expressed their support for the Msunduzi Housing Association (MHA) being used as a dedicated Municipal entity or it being used as a self-funded organisation using developmental profits of housing rental stock. They further expressed the point that the Discount Benefit Scheme (DBS) should be implemented prior to the relocation of the historically disadvantaged people from these Flats, as effectively the recommendations as contained in the report by the Legal Division suggests that it would remove people who qualified for the DBS prior to the implementation of it.

Following discussion, it was

**RESOLVED TO RECOMMEND
TO THE EXECUTIVE COMMITTEE**

(a) That the Council's Credit Control Policy be implemented with immediate effect for all those persons who have not been declared indigent and who are not likely to be declared indigent.

(b) That the following resolutions of Full Council dated 25 September 2005 be amended (as indicated in bold type) viz:

*"(a) That all tenants who are already declared indigent or those who **apply and** qualify for the Provincial Housing Board (PHB) Housing Subsidy and who are residing in Municipal rental stock be offered alternate accommodation within an area to be designated by Council.*

(b) *That an interim rental be determined and that a moratorium be placed on the arrears and the implementation of the Credit Control Policy for those **declared** indigent persons accepting the offer of alternate accommodation until the date of alternative accommodation becomes available.*

(c) *That subsequent to the relocation, consideration shall be given to implementing the relevant portions of the Housing Communiqué dated 9 May 2005 dealing with debt forgiveness of rental arrears.*

(d) *That the procedure outlined in the Credit Control Policy be applied for those persons who refuse alternate accommodation and all other tenants who are currently in arrears”.*

(c) That the following resolution of Full Council dated 25 September 2005 viz:

“(e) *That the decision to transfer all rental stock to the Msunduzi Housing Association be reinforced via a process which must be determined by the Municipal Manager in consultation with the Msunduzi Housing Association”;*

be rescinded and replaced with:

(e) That the benefits/ provisions of resolutions “(a)” and “(b)” above shall equally apply to those tenants herein who upon application satisfy Council that their household income is less than R3500.00 per month and that they cannot afford the current rental.

Councillors R Khanyile, S Madonda, R Ntuli and BP Shoji were not present when the above decisions were taken.

7. ALL WARDS: ADJUSTMENT OF THE SUBSIDY QUANTUM AND THE INTRODUCTION OF THE NEW 40m² QUALITY HOUSE (14.2.2)

Report dated 19 June 2007 by the Strategic Executive Manager: Infrastructure, Services and Facilities [7/20/40].

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It was noted that the Department of Housing would not commit funds for the internal engineering services unless an application for funds from other sources has been successful. It was further noted that the Municipality would still be required to provide additional counter funding to upgrade the level of services.

It was

RESOLVED

- (a) That the adjustment of the housing subsidy quantum and the introduction of the 40m² Quality House be noted.
- (b) That the Strategic Executive Manager: Infrastructure, Services and Facilities submits a report to the Infrastructure, Services and Facilities Committee on the housing projects which will be affected by the Department of Housing requirement that the cost for the provision of the internal engineering services must be sourced from alternative resources.

- (e) That if the application for funds from other sources is unsuccessful, the Strategic Executive Manager: Infrastructure, Services and Facilities submit a report requesting permission to advise the Department of Housing that the Municipality does not have the funding available to subsidise the cost for the provision of municipal engineering services for the new housing subsidy scheme and to request that the Department of Housing fund this project.

Councillors R Khanyile, R Ntuli, S Madonda and BP Shoji were not present when the above decisions were taken.

8. **CINDERELLA PARK LOW INCOME HOUSING PROJECT: SIGNING OF “D4” CERTIFICATES AND TO SUBSTITUTE THE BENEFICIARY WHERE THE APPROVED BENEFICIARY CANNOT BE LOCATED (14.1.2.2.)**

Report dated 19 June 2007 by the Strategic Executive Manager: Infrastructure, Services and Facilities.

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In view of this project area being declared a “Less Formal Township” area, the need for this project to be considered in the application to Court for the transfer of the 43 sites was suggested.

Consequently, it was

**RESOLVED TO RECOMMEND
TO THE EXECUTIVE COMMITTEE**

- (a) That Council accepts responsibility for the management of the 47 houses where the approved beneficiaries cannot be found, and authorises the Strategic Executive Manager: Infrastructure, Services and Facilities to sign the outstanding “D4 Certificates:” for these houses, thereby enabling the Strategic Executive Manager: Finance to recover the R263 968.20 in unclaimed reimbursements due to Council.
- (b) That regarding the process of registration of transfer of the 47 houses to alternative approved beneficiaries, the following processes need to be followed:
- (i) That resultant upon the need to follow due legal process, the illegal occupants in 45 of the 47 houses be evicted and attempts be made at identifying alternative affordable accommodation.
- (ii) That the 2 “special needs” cases be included in the list for submission to the Department of Housing for approval as substitute beneficiaries.
- (iii) That alternative beneficiaries be identified from Council’s Housing Waiting List and submitted to the Department of Housing for approval.
- (iv) That the Legal Adviser prepare the necessary application in terms of Section 33 of the Deeds Office Act to enable the transfer of the 43 sites where the owners cannot be found, to other qualifying persons, noting that the area was declared a “less formal township” in terms of the “Less

Formal Township Establishment Act”, Act 113 of 1991.

- (v) That the Strategic Executive Manager: Finance be authorised to apply to the Department of Housing to use funds from the Municipal Housing Operating Account (MHOA) for transfers (R1500.00 x 43 = R64 500.00) and repairs (R5 000.00 x 47 = R235 000.00), approximately R299 500.00 in total, to be reconciled once detailed costs have been determined.
- (vi) That the Legal Adviser be authorised to approach the Court for permission to serve the application envisaged in recommendation (iv) above by way of substituted service.

Councillors R Khanyile, S Madonda, R Ntuli and BP Shoji were not present when the above decisions were taken.

The meeting terminated at 12:13

CONFIRMED

CHAIRPERSON