REVIEW OF CITY IMPROVEMENT DISTRICTS

Report to Economic Development Unit, City of Johannesburg Metropolitan Council

26 June 2006

Blueprint Group

International Organisation Development South Africa
Purpose

This report sets out findings from the review of City Improvement Districts commissioned by the City of Johannesburg's Economic Development Unit (EDU), and makes recommendations for improving the council’s involvement and city improvement district performance.

What are City Improvement Districts?

Background

A City Improvement District (CID) is a private sector-led mechanism for urban revitalisation. CIDs (or BIDs – Business Improvement Districts, as they are known in some countries) emerged in North America in the 1970s, and has now been adopted as a tool for inner city regeneration in a number of countries. There are around 2 000 CIDs in the USA, Canada, New Zealand and South Africa. Some 25 CIDs are currently being established in England and Wales, with proposals in place to extend this process to Scotland. Variations to meet local conditions mean that there is no standard definition or blueprint CID. However, there is a common set of features that characterise all CIDs.

General features

The CID model is a private sector-led financing mechanism, in which business and property owners in a defined geographic area agree to pay self-imposed levies for local improvements, primarily to enhance public services. These are mainly streetscape improvement and maintenance, public safety and security, and cleaning the public realm. ‘Higher-order’ activities undertaken by better-resourced CIDs include place marketing and policy advocacy.

CIDs are government-sanctioned, either through national or regional legislation, or local by-laws. Generally, the legal framework requires that, following a voluntary agreement among business in the CID area, levy contributions are mandatory. However, there are cases where CIDs operate on voluntary contributions.

CIDs and Urban Governance

CIDs are in essence private sector associations, established to enhance and protect business and property performance through investments in the trading environment. However, they do also represent a form of urban governance, through:

- The introduction of a new source of finance and additional service provision for urban management
- The management and maintenance of the public realm
- An organised private sector relationship with local government for the CID area
This form of governance can be interpreted as the private sector responding to the operations of the market (for example, in the ‘flight’ of businesses from declining urban cores and growing competition from suburban centres) and the inadequate provision of public services or poor development control. As such it can be commended, and the provision of supplementary resources and services welcomed by municipalities. Where CIDs work closely with local government, they provide a public benefit by providing extra services, while ensuring that baseline provision remains in place.

On the other hand, the business self-interest motivation inevitably means to a focus on a CID’s own area, which, without an alert municipality at the city-wide level, can lead to non-CID areas lacking targeted funding and attention. Linked to this is an argument that CIDs create space-based inequalities in service delivery: ‘although some… operate modest programmes in low-income communities, generally speaking, [CIDs] form in communities where business and property owners are both willing and able to pay’. This last aspect is of particular relevance to the current investigation, and will be discussed in relation to the potential for the extension of the CID model to less successful commercial areas.

3 History of City Improvement Districts in Johannesburg

The history of CIDs in South Africa is dominated by Johannesburg, which first embraced the concept and has the longest record of their establishment and operation, beginning with the Inner City ‘tailspin’ of the 1990s.

The reasons for the economic slide of and disinvestment in Johannesburg’s central city in the 1980s and early 90s are well-documented. They need no more than highlighting here, and include suburbanisation, business flight, and lack of control and management in an overly complex administrative structure of the city’s Metropolitan Local Councils, leading to a preponderance of ‘crime and grime’ problems in the central city. The business-initiated response to this decline led to the establishment of the Central Johannesburg Partnership (CJP) in 1992.

The CJP introduced the CID concept to the city, with research and study tours and, with support from the business community, established the first improvement district in the Central Business District (CBD) on a pilot and voluntary basis in 1995. The Central CID originally consisted of eight city blocks, and has now expanded to cover twenty five.

The South West CID was established on a voluntary basis by business in 1996, followed by the Retail Improvement District in 1997.

These CID initiatives raised interest in the Gauteng Department of Development Planning & Local Government, and led to provincial enabling legislation in the form of the Gauteng City Improvement District Act 1997. The Act aims to ‘halt further degeneration… and promote economic growth and sustainable development within cities’ and codifies CIDs as a provincial mechanism of urban regeneration by providing procedures for ‘the formation and independent management of city improvement districts to fund the provision of services in addition to those which a city ordinarily provides in order to facilitate investment in the city improvement district’.

The Act was supplemented by regulations issued in 1998, which added details on the CID establishment process and a format for a CID plan.

The CJP initiatives and interest shown by the Gauteng Provincial Government also raised awareness in the city’s Metropolitan and Metropolitan Local Councils then in place, causing some consideration to be given to a ‘block management concept’, which involved
closer working relationships between the municipal authorities and private property owners. More significantly, it also raised awareness of the importance of urban management in inner city regeneration, which later became an element in the work of the Inner City Office, formed by the Metropolitan Council.

Box One: Gauteng City Improvement District Act 1997

- CID establishment requires the submission of a three-year CID plan, approved by the municipality (S.2.4 and S.3.2a)
- More than 50% of property owners representing more than 50% of the rateable property value in a defined area must be in favour of establishing the CID (S.4.1)
- Each CID must have a management structure, normally a S21 not-for-profit company (S.4.2)
- The management structure must have a representative majority of the CID’s property owners (at least three), plus one CoJ representative
- The CID levy payment is a statutory obligation for all property owners in an established CID (S.6.1-S.6.3)
- The municipality is not allowed to reduce services in a CID to substitute for those services provided by the management body (S.6.7 and S.6.8)

The increasing profile and impact of the central CIDs awakened interest among business communities outside the Inner City, with voluntary (later legislated) initiatives taking off in Rosebank and Sandton in the late 1990s.

Since then, the number of CIDs has increased across the city, with over 20 voluntary and legislated CIDs now operational in commercial and industrial areas (See Table One). Most are managed by the CJP and its partner company Kagiso Urban Management (KUM), on which more below.

There is a subtle distinction in practice in CID nomenclature in Johannesburg – some are termed ‘Improvement Districts’, whereas others primarily in suburban areas are titled ‘Management Districts’, referring to the fact that basic regeneration efforts are less needed in the latter.

Table One: Johannesburg City Improvement Districts in operation

<table>
<thead>
<tr>
<th>Inner City Improvement Districts</th>
<th>Voluntary Establishment</th>
<th>Legislated</th>
<th>Size (City Blocks)</th>
<th>Property Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benrose Improvement District</td>
<td>2003</td>
<td>2005</td>
<td>14</td>
<td>114</td>
</tr>
<tr>
<td>Braamfontein Improvement District</td>
<td>2002</td>
<td>2004</td>
<td>19</td>
<td>78</td>
</tr>
<tr>
<td>Central Improvement District</td>
<td>1995</td>
<td>2004</td>
<td>25</td>
<td>96</td>
</tr>
<tr>
<td>Civic Centre Improvement District</td>
<td>2002</td>
<td>No</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Constitution Hill</td>
<td>2002</td>
<td>No</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Fashion District</td>
<td>2004</td>
<td>No</td>
<td>26</td>
<td>51</td>
</tr>
<tr>
<td>Gauteng Legislature</td>
<td>2003</td>
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<td>Main Street Mall</td>
<td>2004</td>
<td>No</td>
<td>6</td>
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<td>Newtown</td>
<td>2003</td>
<td>No</td>
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<td>1997</td>
<td>2005</td>
<td>5</td>
<td>71</td>
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<tr>
<td>South West Improvement</td>
<td>1996</td>
<td>2004</td>
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<td>107</td>
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<tr>
<td>Proptnet Safety Corridor</td>
<td>2003</td>
<td>No</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Wits Safety Initiative</td>
<td>2005</td>
<td>No</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Troye Street Safety Initiative</td>
<td>2006</td>
<td>No</td>
<td>-</td>
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<td>Suburban Improvement Districts</td>
<td>City Improvement District</td>
<td>Voluntary Establishment</td>
<td>Legislated</td>
<td>Size (City Blocks)</td>
</tr>
<tr>
<td>-------------------------------</td>
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</tr>
<tr>
<td>Illovo Boulevard Management District</td>
<td>1997</td>
<td>2004</td>
<td>6</td>
<td>35</td>
</tr>
<tr>
<td>Kramerville Management District</td>
<td>N/A</td>
<td>2005</td>
<td>4</td>
<td>33</td>
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<td>Randburg Management District</td>
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<td>Rosebank Management District</td>
<td>1988</td>
<td>2000</td>
<td>9</td>
<td>48</td>
</tr>
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<td>Wierda Valley Improvement District</td>
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<td>2004</td>
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<td>Wynberg Improvement District</td>
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<td>160</td>
</tr>
<tr>
<td>Sloane Precinct Owners Association</td>
<td>2001</td>
<td>No</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>Sandton Central (Sandton Business Improvement District &amp; Sandton City &amp; Convention Management District)</td>
<td>1999</td>
<td>City: 2002 Sandton: 2004</td>
<td>16</td>
<td>68</td>
</tr>
</tbody>
</table>

4 The establishment process of Johannesburg CIDs

Why do CIDs emerge and how are they established? In general, CIDs materialise as a result of a real or perceived crisis in an area; for example, an increase in crimes levels or a real or projected drop in property prices.

The process of formal establishment is stipulated under the 1997 Act:

- 25% or more of the property owners within a geographic area may petition the CoJ for the establishment of the CID
- The petition must be accompanied by a proposed CID business plan, specifying the area, management structure, proposed services required, existing levels of municipal services, and financial arrangements (including levy). This process is accompanied by requirements for public notification, receipts of objections and comments, and a public hearing.
- On the basis of the petition, the CoJ can then give approval, taking account of any public comments, for the proposed CID to be put to a formal vote of property owners in the area. In particular, the CoJ is required to:
  - take account of the extent to which property owners in the area are up to date with rates payments
  - assess whether the formation of the CID is in line with the development objectives of the city’s Integrated Development Plan and Spatial Development Framework for that area
- The CoJ will then sanction the implementation of the CID if the vote returns a 50% (or greater) majority in favour of its establishment
- Following approval, the sponsoring business community members must then move to set up the management body (usually a S21 not-for-profit), and begin operation through the implementation of the business plan.
- The CID management body, if it so chooses, can then apply to the Gauteng Provincial Government to be promulgated formally under the 1997 Act.
The CJP/KUM’s experience and inputs in assisting CID development has fleshed out this process in practice. If commissioned, CJP/KUM will work with a Steering Committee drawn from the sponsoring property owners to mobilise support, and develop the business plan. This support includes:

- Producing the documents and following the procedures for petition submission
- Establishing the CID S21 management company
- Procuring service contractors and drawing up contracts
- Liaising with the CoJ and its utilities over service levels

CJP/KUM also conducts a perception survey among property owners and relevant stakeholders in the initial stages of developing the CID business plan. This identifies and builds consensus on the main issues affecting the proposed CID area, and provides the opportunity for periodic assessments to measure the impact of the CID.

The survey measures the following aspects through both qualitative and quantitative questions:

- Perceptions of safety and common types of crime
- Actions to address security issues
- Adequacy of street and pavement lighting
- Adequacy of street cleaning and litter collection
- Attitudes towards informal trading in the area, and actions to address the issue
- Perceptions of the adequacy of and problems associated with public transport (primarily public buses and mini-bus taxis)
- Perceptions of level and timing and traffic congestion
- Adequacy of public environment facilities (bus/taxi shelters, public toilets)
- Opinion on the quality of the public realm (streetscape, landscaping)
- Views on the image and assets of the area, and ways to address any negative aspects

CJP/KUM offers continuing services to the CID, if the management body chooses to contract them, such as:

- Levy billing, payment system, debtor control and financial reporting
- Training to CID Safety Ambassadors and cleaners
- CID management
- Marketing and place branding

5 Overview of City Improvement Districts Performance in Johannesburg

The general consensus view of key informants interviewed in the course of this assignment was that CIDs work well, but their positive impact is not as widely recognised as it could be. CIDs are definitely a valuable addition in the CoJ’s ‘menu’ of mechanisms and approaches to urban regeneration. The underpinning for this comes from an assessment of Johannesburg’s progress as a post-apartheid city – that at this stage in the city’s development, the CoJ needs to mobilise and maximise broader stakeholder involvement to support its growth and regeneration efforts. Despite an improved financial and administrative performance, the CoJ’s capacity remains limited and in certain respects hampered by organisation inertia and complexity. Viable partnerships are therefore essential in bringing a concerted focus for development in targeted areas.
The pioneering work of the Inner City CID was consistently noted with approval. In addition, certain CIDs were cited as particular examples of highly valuable interventions in urban management and property investment, including:

- **Rosebank**, where the establishment of the CID arrested and reversed the decline of the area, bringing it back from a tipping point and leading to increased rentals and investment in the area.
- **Randburg**, where close working relations between KUM and the JDA has helped create confidence among property owners. Randburg is also the only CID in which the Johannesburg Property Company pays CID levies on its holdings.
- **Braamfontein**, where committed property owners invested in a far higher gearing against CoJ project finance.

CIDs are also seen as an important auxiliary in the CoJ’s City Safety Programme, in the following ways:

- By improving visible security, strengthening the perception of safety in the public realm and reducing the potential for criminal behaviour.
- Through coordination with surveillance
- By contributing to urban management through extra cleaning and reporting of basic service problems and so addressing the ‘broken window’ syndrome.
- By participation in CoJ service delivery coordination structures

Measuring the impact of the ‘visible deterrence’ service is extremely difficult to achieve, although the Nelson Mandela Bridge anecdote (see below) seems to confirm its effectiveness. CID security ambassadors remained at their posts during the national security guards strike, but wore civilian clothing to avoid intimidation by striking workers. (The CJP/KUM Manager for Inner City CIDs has reported that while this led to one arrest for hard drugs possession through ‘undercover’ work by CID security staff, he also had the impression that there had been an increase in crime incidents as the visible security effect weakened).

The Newtown CID is emerging as an interesting modification on the ‘standard’ CID, being tailored to the specific development needs in the area, and taking on a deeper role in improving private sector coordination and public ‘offer’ in a ‘CID plus’ model (See Box Two).

6 The Central Johannesburg Partnership and Kagiso Urban Management

Central Johannesburg Partnership

The CJP was the lead protagonist of CIDs in the 1990s, and has undergone various institutional transformations in response to the changing development environment in the city. Originally established in 1992 as a private limited company representing business, community and the city council, it was restructured as a S21 (not-for-profit company) in 1995. Its purpose at that time was to represent inner city business, which also provided its operating finance.

The CJP later moved to become a stand-alone entity away from its business backers, and established Partnerships for Urban Renewal (PUR) in 1997 as a consulting service wing to its activities.
2003 saw a further transformation in the nature of the CJP and PUR. PUR was amalgamated into Kagiso Urban Management (KUM) - a consulting and urban management company which is part of Kagiso Property Holdings, itself a member of the Kagiso Group. The CJP’s current status is a private S21 company acting as management for Inner City CIDs, with services and administration provided under contract by KUM.

Box Two: The Newtown CID

The Newtown Cultural Quarter is being developed as ‘the creative capital of Johannesburg and South Africa: dynamic, vibrant, sophisticated, and cosmopolitan, boasting the best cultural offerings in Africa’.

Public sector infrastructural investment (for example, the Nelson Mandela Bridge, the upgraded Mary Fitzgerald Square and the Sci-Bono facility) has been injected into the area to strengthen the cultural ‘offer’ from the Market Theatre, Museum Afrika and the various venues for music, dance and exhibitions. Private investor confidence has risen, with significant developments in place or underway at The Mills, the new Anglo Gold headquarters in Turbine Hall, and the 1 Central Place office development. Social housing is being developed by the JHC at Brickfields.

The normal CID services (currently being provided by the JDA on a voluntary basis) of visible security, supplementary cleaning and ground maintenance have made a significant contribution in the effort to attract visitors and increase footfall.

In addition – and this is the interesting variant - the Newtown CID is also designed to provide services to strengthen the ‘content’ and institutional thickness of the Quarter. The CID management company (to be a S21 not-for-profit) will also be responsible for the following services on behalf of and collaboration with its members:

- Marketing, festivals and events programme organisation
- Place-making (including banners, bins and local signage)
- Public communications and press liaison
- Education programme coordination and support
- Training programme coordination and support
- Venue programmes coordination and support
- Booking and ticketing services for venues

These services go beyond the standard ‘safe and clean’ set, and require considerably more operational expenditure (opex). The plan for the Newtown CID covers this through an agreement brokered by the JDA with the Johannesburg Property Company (JPC), which manages the CoJ’s land and property assets. In this arrangement, the regular CID levies from members will be supplemented by finance injections from the development of CoJ land and building assets in the area. Upfront payments on leases (for example, from the development of 1 Central Place and Transport House) will be ceded by the JPC to the Newtown CID company to cover opex costs for the first three years. This then allows the CID company time to consolidate its operations and plan for future sustainable operations as the number of CID members increases with future development.

Kagiso Urban Management

The Kagiso Group is the holding structure for various companies formed under Kagiso Trust Investments (KTI), an investment arm to generate long-term financial support to the Kagiso Trust for purposes of community development and economic empowerment. The Group owns 60% of Kagiso Property Holdings, which in turn has a 67% stake in KUM. The Group is a black-owned, equal opportunity employer.
KUM is a multi-disciplinary advisory and management services company specialising in precinct development, precinct management and precinct services - working in partnership with local government, local business interests and urban users / interest groups. KUM has specialised in the establishment and management of CIDs, and also provides a range of operational services to them. Services supplied cover:

- Cleaning, maintenance and security
- Employment of staff to provide services
- CID levy collection
- Financial services, including accounting and reporting
- Marketing
- Database establishment and maintenance (jointly with South African Property Owners Association, SAPOA)
- Consulting and research services

Altogether, KUM is currently involved in 30 current formal, informal or prospective CIDs located in commercial or industrial areas. It manages and supplies services to the following formally legislated CIDs:

- Benrose Improvement District
- Braamfontein Improvement District
- Central Improvement District
- Illovo Boulevard
- Kramerville Improvement District
- Randburg Management District
- Retail Improvement District
- Rosebank Management District
- Sandton Central:
  - Sandton City Management District
  - Sandton Business Improvement District
- South West Improvement District
- Wierda Valley Management District

The Wynburg Management District, also formally legislated, is managed by the local property owners group. However, KUM report that there is a possibility that the company has recently been invited to provide management and services in this CID.

In addition, KUM provides services to the following ‘informal’ or voluntary CIDs:

- Civic Centre Precinct /
- Constitution Hill
- Main Street (within SW Improvement District)
- Provincial Legislature Precinct
- Newtown
- Sloane Precinct (Bryanston)
- Proprop Safety Corridor
- Troye Street Safety Initiative

KUM is also providing technical support and advice to the following business groups, who, at the time of writing, are exploring the feasibility or currently in the process of establishing CIDs:

- Bruma
- City Deep
- Fourways
- Norwood
- Fashion District
- Roodepoort
- Midrand
- Milpark
- Yeoville
- Kya Sands
- Eastgate
- (Sandton)

KUM’s institutional knowledge in CID development (incorporating that of the CJP), has been gained over at least 12 years, and as a result it is the leading player in this market in Johannesburg. It has no serious competitor at this stage, and is the dominant supplier of CID services. Its activities are located within its business concept of ‘urban place making’ – the enhancement and effective management of the public realm in specific business nodes to strengthen economic performance.
KUM’s management of CIDs follows a clear path of independent advice and service to the management body. While KUM and KPH can also provide services such as security and cleaning which could be used by CIDs, KUM has encouraged management bodies to put such services out to tender, where KUM will bid as appropriate. Neither KPH nor the remaining members of the Kagiso Group are providing services to CIDs.

7 City of Johannesburg relationship with CIDs

Role and Resources

The Gauteng Provincial Government was the main state body interested in CIDs in the mid1990s, leading to the formulation and enactment of the CID legislation. Since that period, the province’s active involvement in the promotion of CIDs has declined. However, the City of Johannesburg Council’s (CoJ) role and resources for urban regeneration and management changed markedly for the better from the late 1990s. The restructuring under the iGoli 2002 plan set up municipal owned entities (MOEs) for service provision of water, electricity, gas and waste management.

The establishment of the Inner City Office, the Economic Development Unit (EDU) and in 2001, the Johannesburg Development Agency (JDA), together with a focus on the Inner City as a Mayoral priority for the 2000-2005 term of office, mobilised municipal counterpart capacity for the business-led revitalisation efforts, including CIDs. These institutions were supplemented by a further set of responses to the inner city challenge, including:

- The reorganisation of the CoJ’s administration on a regional basis, with Region 8 having the Inner City within its jurisdiction.
- The formation of the Inner City Task Force, a multi-disciplinary team set up for municipal by-law enforcement.
- The adoption of the Inner City Regeneration Strategy in 2003, which set out a comprehensive approach to achieving an objective of increasing property values in and rates income from the Inner City.
- The Better Buildings Programme (BBP), an acquisition, transfer and refurbishment programme for badly-managed private properties.
- The declaration of the Inner City as an Urban Development Zone in 2004, which entitles private sector developers to qualify for tax incentives for refurbishment or construction of residential and commercial properties.

This suite of institutional responses greatly strengthened the CoJ’s endeavours in implementing an integrated approach to Inner City renewal, with a particular emphasis on viable development partnerships, most notably with the CJP. The lessons and most effective mechanisms have since been applied to the CoJ’s efforts to turn round other declining CBDs in the City, with programmes underway in Randburg and in development for Roodepoort and Lenasia.

The CoJ has taken a positive view towards the establishment of CIDs as a concomitant component of its area-based regeneration precinct developments, supporting their set-up in Randburg, Newtown, Fashion District, Constitution Hill and Braamfontein as a crucial element of each project.

The CoJ recently began another administrative restructuring following the March 2006 local government elections. Administrative Regions 8 and 9 (Johannesburg South) are about to be merged to form the new Region F, while a new Mayoral Committee portfolio of Development Planning and Urban Management has been established. In his 2006 State of the City address, the Executive Mayor stressed that ‘the urban management
component of the portfolio will especially ensure the continuation of the inner city regeneration in the Johannesburg, Randburg, Roodepoort, Sandton, Eldorado Park, Soweto and other similar central business districts. As a result it is likely that, from the city’s perspective, the growing alignment between CoJ urban regeneration initiatives and CID operations should continue.

**Levy Collection**

The 1997 Act required the CoJ to collect levies for CID services from all property owners in the CID. These levies were then to be turned over to the CID management body to pay for its operations and service provision.

The Johannesburg CIDs began operation under this arrangement, but it was not long before difficulties began to emerge. The levy collection added to an already high workload. Under the assessment rates accounts, the CoJ would collect service charges (for electricity, water, sewerage and cleansing) along with the CID levy. In situations where payments are not made in full, the CoJ allocates receipts pro-rata, prioritising its service charges. So in a case where a property owner paid the CID levy, but was in dispute with the municipality over the services bill, the CoJ would reallocate the levy finance to cover services. This deprived the CIDs of income, undermined their credibility, and multiplied arguments over payment between property owners, management bodies and the CoJ.

The underlying reason for this problem is that the CoJ’s billing and collection architecture is not geared for disaggregating payments in areas below formal township or township extension level. Although it is technically possible by profiling a specific area, it is not feasible to systematise this service for CIDs without extra expense and human resources.

Consequently, in 2003, the CoJ agreed to appoint the CJP/PUR (and by subsequent succession, KUM) to collect the CID levies on the council’s behalf. This arrangement continues to operate, and is subject to three months notice by the CoJ. KUM is achieving levy collection rates of 95-99% in the suburban CIDs, and arrears payments are assiduously pursued. Average levy collections in the Inner City CIDs are lower at around 80%, but of the balance some 12-15% is due to non-payment from ‘bad buildings’. Genuine arrears are therefore around 5-7%.

In retrospect, the appointment of CJP/PUR/KUM as the CoJ’s agent for CID levy collection was a fortuitous decision. The Municipal Finance Management Act 2003 increased National Treasury’s scrutiny of municipalities and their relationships with entities providing council services. Should the CoJ have been collecting CID levies, it is possible that the Auditor-General (A-G) could interpret this as a management arrangement, and CIDs could have fallen under the definition of municipal entities. The least of the requirements in such a case is that CID financial statements would have to be incorporated into those of the CoJ.

Following an inquiry from the A-G in 2005, the CoJ was able to satisfy the A-G that its relationship with CIDs was arms-length, that they were set up under provincial legislation and not municipal by-laws, and were therefore not municipal entities.

**Municipal Service Provision and Service Level Agreements**

The extent and quality of municipal service provision is the core of the commitment to partnership between the public and private sectors implicit in the successful operation of CIDs.
The ‘terms’ of this partnership can be summarised as follows:

- An area has problems of security, maintenance and cleanliness that require engagement from both sectors to address successfully
- A majority of private sector stakeholders are prepared to pay for supplementary urban management and services above the norm provided by the municipality
- The extra cost to the private sector will be recovered by higher rentals, increased property occupancy and more business in the area
- The municipality will continue to provide consistent levels of service at the norm for the area, and so not use the supplementary services to substitute for its own responsibilities
- Given these joint commitments, both sides will work together in providing an integrated urban management service for the good of the area and the city.

The 1997 Act pays attention to the level of services provided by municipalities in its clauses 6(4) to 6(8). In brief, these state:

- Services financed by the CID levy must supplement those of the municipality
- If the municipality increases service levels across the city, then this increase must also be applied to the CID
- If the municipality reduces services in the CID (but not across its wider jurisdiction), then the CID management body may write to the municipality and require the reinstatement of these services
- If the municipality fails to reinstate these services, then the management body may notify the Provincial Government of this breach, and request action to rectify this position.

The Regulations to the 1997 Act require that a CID Plan must specify the type and levels of service being provided in the proposed CID area\(^5\).

The issue of the level of municipal services provision is a very high profile issue in the current establishment and operation of CIDs. Comments from key informants interviewed in the course of this assignment reported complained the CoJ and its MOEs:

- Did not provide services to the standard level
- Had a slow response time to problems and incidents
- Had a poor understanding of its responsibilities in relation to CIDs

As well as recording the performance of the supplementary services, CID managers monitor and report municipal service delivery problems and incidents on a daily basis. They receive reference numbers and follow-up through formal procedures with the MOEs, JMPD, SAPS and other service providers (eg Eskom), as well as with contact networks of key persons. These activities are recorded as part of the regular monthly reports to the management company, and categorised as:

- Crime incidents
- Municipal service deficiencies (inoperable traffic lights; water/sewage leaks; faulty street lights; flyposting)
- Informal trade infringements

Non-crime statistics (including assistance to the public; injured and sick people; lost children; vehicle accidents) are also recorded.
Service delivery problems are analysed on a time series basis (monthly comparisons over a twelve-month period and individual comparisons from one month to the same month the previous year). However, there is no publicly available analysis that shows performance of the CoJ’s MOEs against their Key Performance Areas (KPAs).

The monitoring and reporting function of CIDs is undoubtedly a valuable contribution to urban management in those areas. The presence of CID staff means that problems can be identified at an early stage, and fed into the reporting mechanism to MOEs, and well as the various joint committees which have delivery performance as part of their remit.

However, this ‘watchdog’ function raises a question about the nature of the partnership in practice. CID managers (on behalf of their management companies and members) are active and committed in securing exemplary service in their areas – they consider it important that the CoJ and MOEs are held to account for activities and deficiencies. However, the MOEs do not account to the CID – they account to the CoJ and have service delivery responsibilities across the whole of the metropolitan area, much of which is far more impoverished than the CIDs.

Of the two CID managers contacted during the course of this assignment, one stated unequivocally that they knew what levels of service (the KPAs) the council had to provide in the area (quoting as an example that the Johannesburg Road Agency was required to fill potholes within three days of reporting). The other manager stated that service level requirements were unclear. This difference could either be a result of a lack of knowledge among the managers, or that the information is only available for certain areas.

The question of service delivery performance is complicated further by two other issues:

- With notable exceptions, there appears to be a lack of general awareness of the role and purpose of CIDs in the MOEs. Some of this is linked to staff turnover in the service providers, and seems to indicate CIDs have yet to be institutionalised within MOE delivery planning
- CID business plans in general do not include information on the types and levels of service being supplied by the MOEs, despite this being a requirement under the regulations of the 1997 Act. The reason for this omission is given as the lack of available information from the MOEs. As a result, the CoJ is approving establishment of CIDs that do not technically comply with the legislation, but probably more importantly, there is no agreed baseline of service delivery at the inception of a CID.

It is certain that there are instances of chronic service delivery failure by MOEs in CIDs. To cite one example, in the Inner City CIDs, the CJP/KUM has now taken to replacing missing pavement water meter and access covers with its own-sourced lids. This is certainly beyond an agreed level of ‘supplementary’ services, and comes from high frustration at the inability of Joburg Water to address this problem.

There are also cases where MOEs make service delivery decisions without taking account of their potential impact; for example, the JRA recently stopped payment for CID guards patrolling the Nelson Mandela Bridge, citing that they were no longer required. Soon after the guards were withdrawn, lampposts on the bridge were vandalised and metal covers stolen from them.

Service Level Agreements

Service Level Agreements (SLAs) have been held out as the answer to the vexed question of MOE performance. SLAs are contracts between the CoJ and service providers
that specify the nature, quality, timing and cost of the service to be provided. The 1997 Act and its regulations do not specify that there must be an SLA in place between the municipality and the CID. However, it does require that the CID business plan includes a statement on the types and levels of service provided in the area.

However, it appears that this requirement is only being honoured in the breach. Consequently, there is no formal statement at local level of the services being provided (or at best, only partial information). This situation led the CJP/KUM to make a particular effort to develop a standard SLA for use in CIDs, and this exists in draft format and was approved in principle with the CoJ’s Contracts Management Unit (CMU) in April 2005. However, to date the CJP/KUM have been unable to negotiate a formal arrangement with the MOEs to apply this in the CIDs they manage. Reportedly, this is due to two factors:

- The CMU does not have suitable SLAs in place with the MOEs that could be applied at an area-based level
- The MOEs have been unwilling to participate in a CID-level process, despite efforts from the various CoJ regions to bring them to the table.

The lack of SLAs compounds the lack of an agreed baseline of municipal service provision at CID level. At the broader level it leads to a relationship based on complaints and problem reporting, rather than a joint partnership in a coordinated development effort.

The establishment of the CoJ’s new Urban Management Department has brought this issue to the fore, and currently activity is underway (driven by the new Member of the Mayoral Committee for Infrastructure & Services) to conclude SLAs between the CoJ and its MOEs. These will reflect the budget and resources available to the CoJ for these services. Once these are in place, it seems feasible that back-to-back SLAs or Memoranda of Understanding could then be established between the CIDs and the CoJ.

**Urban Management Department**

Under its current administrative reorganisation, the CoJ is setting up a new department of Development Planning & Urban Management (DPUM), which will account politically to the eponymous Member of the Mayoral Committee.

The CoJ’s re-formed regional offices will account to the DPUM, a move intended to increase their effectiveness in monitoring and oversight of service delivery. As it relates to CIDs, the DPUM’s functions are:

- Urban management - maintaining a safe, quality urban environment, including by-law enforcement. This may include extending the approach pioneered by the Inner City Task Force to all regions.
- Service delivery co-ordination - ensuring the monitoring of the MOEs
- Development planning - designing and running special interventions, such as Randburg and area-based interventions, as well as building control

The DPUM will have responsibility for the identification of target areas for intensive urban management, a programmatic initiative which could then be used to facilitate the concomitant establishment of CIDs. The process of identifying such areas needs to given attention – it is possible that one of the underlying reasons behind the seeming recalcitrance of MOEs to get involved in CIDs to the level that the management bodies would expect is that they were never included in the original conceptualisation and establishment process. Presented with a fait accompli, MOEs may respond to CIDs as yet
another stakeholder demanding particular attention. This could then be further compounded by a lack of understanding of what are the purpose and roles of CIDs.

It is also important to register at this point that much depends on the nature of the human resources allocated to working with CIDs and other target areas. Given the complexity and high-profile nature of these interventions, the coordination role is best suited to individuals with a ‘passion for excellence’, who can be creative, flexible and also thorough in assisting the CoJ contribute its share to the partnership.

8 CID and ‘Marginal’ Commercial Areas

The private sector compact of property owners that establishes a CID requires that they are both willing and able to pay. The ability to pay helps the presence of CIDs in Johannesburg’s better-off commercial and industrial areas. Even in the Inner City, where the crime and grime issues were among the toughest in the 1990s, the presence of large corporates and well organised representative business organisations buoyed the establishment and operation of CIDs. The question then arises whether the standard CID model has application in more marginal areas.

Yeoville

This issue is being tested currently in Yeoville, which has become one of the more prominent areas of concern on the CoJ’s urban regeneration radar since the decline of its high street from the mid-1990s when certain high street chains closed their outlets. Yeoville is a suburb under serious strain, characterised by high levels of in-migration and overcrowding, a comparatively poor population, and non-conforming uses in residential situations (notably shebeens). High street public infrastructure (pavements, street lights and stormwater drains) is dilapidated. Crime is an issue and has an impact on municipal services in unforeseen ways – for example, street dealers in drugs obstruct cleaners in sweeping gutters and drains and emptying letter bins because this is where they hide their stashes. Crime incidents also correlate with the distribution of bars, nightclubs and shebeens in the area.

The CoJ’s efforts to regenerate the area have been worthy, but have not yet achieved a turn-around due to a lack of consistent and concerted effort. The Yeoville market has provided a valuable community service and enabled small businesses to grow, but informal trading along the high street continues unabated. The JDA has a small capital project of R4 million to upgrade the park, with further plans to create a ‘civic precinct’ around it by relocating the local library and police station. The Inner City Task Team has coordinated by-law and anti-crime enforcement ‘blitzes’ with the JMPD and SAPS, which have had temporary impact, but needs more sustained application. However, given the degree of decline along the area’s commercial spine, it is also clear that extra measures and investment are needed.

In 2005 the JDA commissioned the CJP/KUM to test the feasibility of establishing a CID along the ‘high street’, comprising Rockey, Raleigh and Hunter Streets. First findings from this exercise (which is still underway) illuminate a complex picture that will require a carefully crafted and timed approach if a CID or a variant is to be effective:

- The buying power of the local population is low, with expenditure concentrated on basic consumables, local services and convenience shopping
- The number of bars and nightclubs makes the high street a regional destination, so at peak times high numbers of people visit the area, putting strain on public safety and clean-up services
• There are more tenants and shopkeepers than in an equivalent higher-income area, which requires more effort in communications and building commitment
• The economics of trading in a ‘low-income market’ puts pressure on property owners and tenants to cover rentals and leads to the following trends:
  – Property owners and shop-keepers sub-let to other tenants to help cover fixed costs
  – Property owners neglect building maintenance to preserve their already narrow margins
  – There are fewer resources available (such as extra finance, or the free time of potential project leaders) to invest in pioneering a regeneration effort.

CJP/KUM have identified around 50 property owners and some 200 shopkeepers in the Yeoville high street, and have conducted a building-by-building survey to detect the main problems, which so far include ‘bad buildings’, inadequate infrastructure, traffic and other hotspots, and a lack of confidence in the ability of the CoJ to address these issues.

However, it has also become apparent that the normal CID model is probably not applicable - mandated levy collection (on the rateable value formula used in other CIDs) is unlikely to gather much support, since owners are unwilling or unable to cut into their narrow profits, and the cost of services needed is likely to be high.

The approach that appears to be most viable for Yeoville is the establishment of a CID based on a voluntary association that includes shopkeepers as well as property owners, rather than a mandated institution. Contributions could be made on the ability to pay, and services provided by the CID would be tailored to an appropriate level.

The number of participants in the association, and the effort needed to handle collections and communication, indicates that this approach may be heavily intensive in terms of management time, and could well have an associated cost.

In addition, it seems likely that a concerted effort by the CoJ and its MOEs to address problems in infrastructure and the public realm would be needed to create the right atmosphere of commitment beforehand. These ‘confidence-building measures’ should then improve the prospects for establishing a viable association and partnership.

Yeoville is an important experiment in extending the CID approach, and seems at this stage to have identified the components of a successful regeneration effort. The JDA continues to show confidence in the emerging model, and in June 2006 allocated a further R 500 000 to CJP/KUM to provide technical support for the management and operation of an informal CID for the following nine months. Efforts are being made to collaborate closely with those members of the Property Owners & Managers Association (POMA) – who have property in the area.

Unlike traditional CIDs, initiating the proposed model will require leadership and resources from the CoJ, rather than the private sector, a consistent and concerted programme of urban management, and a presence of activity for some time.

**CIDs in Former Black Townships**

In addition to marginalised commercial areas, CIDs have yet to find a place in townships. It seems likely some form of CID-type operation will be put in place following major township investments such as Soweto’s Orlando Ekhaya project, much in the same way as CIDs were put in place in new precinct developments at Constitution Hill and Illovo.
Boulevard. However, prospects are less likely in older township commercial areas without specific support and investment. To this end, National Treasury’s new Neighbourhood Development Partnership Grant (NDPG) may provide an opportunity for crowding in public and private investment alongside which CIDs could be established.

The NDPG was launched in 2006 as a R2.5 billion programme over the next three years. It aims to ‘accelerate improvements in living conditions and economic activity in townships and under-served residential neighbourhoods’⁶, and mobilise private and public sector finance in the upliftment of new integrated development nodes. It has a capital component (which requires matching private sector finance) for the following facilities:

- Public parks and recreational spaces
- Transport facilities (for example, bus stops, taxi ranks and pedestrian links)
- Buildings for government administrative, welfare and social services
- Trading facilities and infrastructure for lease or development as commercial premises; and buildings or structures for community purposes.

The NDPG also provides technical assistance to assist municipalities with project assessment and design. This assistance will be targeted to identify potential sites for node development; assess the need for community facilities; undertake feasibility studies and project design and costing; tender for private partners and arrange co-funding; and obtain the necessary planning and building plan approvals⁷.

The node identification element of the programme provides the prospect of a more cohesive approach to neighbourhood regeneration in townships. If CoJ actively engages in the NDPG it has the opportunity to crowd in public and private capital finance in an integrated approach, followed by planning for the establishment of CID (with ‘management’ and/or ‘improvement’ functions) at the earliest planning stage.

With or without the NDPG, a number of possibilities suggest themselves for CID-type operations in Soweto. The plans to grow the Vilikazi precinct as a visitor attraction and tourism/commercial node provide an opportunity for early feasibility and testing of CID establishment. There is similar potential for the Baragwanath integrated transport interchange.

9 Residential Improvement Districts

The CID model is aimed at area-specific economic development by maintaining or enhancing property values through better urban management and improved services. In the late 1990s and early 2000s, certain residential communities sought approval from the CoJ to establish CIDs in their neighbourhoods, primarily to deal with local issues of safety and security.

In response to these activities, the CoJ ruled in 2003 that the CID legislation should not be applied to residential areas, on the basis that:

- The council believed that the legislation was drafted with only commercial and industrial areas as its objective
- The sponsoring communities only intended to focus on safety and security rather than a broader range of services
- Household levy collection would cause an inordinate increase in workload for the City Treasury

The CoJ did acknowledge that there was a valid issue at the heart of such requests from communities, and undertake to research appropriate mechanisms to assist integrated
development and urban management in residential areas. At this stage, further investigation is needed to find out the outcome of this research, or indeed, if it was ever commissioned.

The eKhaya Neighbourhood Programme

In 2004, the Johannesburg Housing Company (JHC), a not-for-profit social housing group initiated the eKhaya Neighbourhood Programme (ENP) in Hillbrow. This is emerging as a particularly significant variant on the CID approach, with an emphasis on high-density, lower income, inner city residential areas. The ENP grew from a JHC-initiated research on tenant perceptions of security in the areas around their buildings, and coalesced into a multi-stakeholder improvement initiative on Pietersen Street, Hillbrow.

The roots of the ENP’s approach are based on ‘building neighbourhoods of choice and connection’, the central thesis of which states:

*A true rebirth of distressed areas (and the cities in which they are located) will only occur if we make these places neighbourhoods of choice for individuals and families with a broad range of incomes, and neighbourhoods of connection that are fully linked to metropolitan opportunities.*

In short, the JHC’s aim is to build more desirable neighbourhoods in Hillbrow, of benefit to:

- Themselves, in the form of their property assets
- Other property owners, by redirecting their self-interest and profit motivation to take account of the public realm
- The tenants and broader community, through safer and cleaner streets and public open space
- The CoJ, in the form of more stability in the area, and a stable property market producing rates and service payments

The JHC commissioned action research and interviews with tenants, caretakers, housing supervisors, property owners and agents in Pietersen Street, which then led to the following actions to establish the ENP:

- Agreement on the main challenges of the neighbourhood – primarily ‘crime and grime’, and the need for better coordination with government service providers and programmes
- Determination of the area’s physical focus – Pietersen Street, comprising 33 properties (including seven ‘bad buildings’)
- Establishment of the ENP steering committee, comprising property owners and managers, with links to the local Community Policing Forum (CPF), the CoJ Administrative Region 8, the CoJ’s Better Buildings Programme (BBP) and the ward councillor
- Setting up the ENP as a S21 company as the formal development entity for the programme

The ENP has a set of core activity streams:

- Organisation and communication – building cooperative, organised action among stakeholders, which includes regular meetings of the steering committee, caretakers/housing supervisors meetings, reporting to CPF sector meetings, developing and submitting Incident Report Records, and liaison with CoJ service providers and JMPD
- Obtaining consistent by-law enforcement (focusing on clean-ups and taxi activity)
- The Lane Management Project (to establish cooperative management of lanes, improve cleanliness and reduce criminal activity)
- Securing effective management of ‘bad buildings’ and litter/safety ‘hotspots’

**Key features of ENP success**

The ENP is seen to be a successful initiative so far, and definitely has the potential for a broader impact. The main features behind its positive effect include:

- A pro-active and credible project champion in the form of the JHC – the JHC has a sufficient property footprint in the area and a high profile record of inner city housing development to ensure credible leadership with the other stakeholders
- A conceptual framework for development that marries social aspects (including building an active citizenry with a community agenda based on rights, respect and responsibilities) with economic imperatives (improving property assets) as an integrated approach
- An action-oriented and ground-level approach, including thorough baseline research and ‘walkabouts’ with property owners, city officials and politicians
- The confidence to identify and introduce ‘opportunistic insertions’ into its programme, such as the successful ‘Safe eKhaya New Year’ campaign
- Effective, active programme structures, regular liaison with other stakeholders and an energetic and committed team of staff and consultants

**Main challenges facing the ENP**

The inception period of the ENP has been successful, but has also highlighted specific challenges for continued development and for scaling up into other neighbourhoods:

- The social component - action research around the building audit, building and maintaining stakeholder support, and communication activities – has an associated cost in terms of staff time and consultant fees
- Municipal service delivery entities respond primarily in an ad-hoc fashion – there is no formal statement of service provision for the ENP area) such as a service level agreement – and so a consistent baseline for ‘back-to-basics’ delivery is lacking
- The BBP – which is generally agreed to be vital in dealing with problem properties – is still too slow in operation
- The lack of a programmatic approach to deal with problematic sectional title properties is a significant obstacle to promoting a consolidated approach
- The lack of a systematic pro-poor programme for affordable rental housing (at sub-JHC rent levels) is a major causal factor for the pervasive development of bad buildings

Despite these issues, the JHC has persevered with its activities – back lanes have been cleaned up, public behaviour over the New Year period has improved with no serious incidents reported, and two prominent bad buildings – Rondebosch and Crest Hill – bought for redevelopment by the JHC under the BBP. And the ENP has awakened interest for similar initiatives in other parts of the city.

Firstly, the JHC is now developing plans for the establishment of a similar programme in the ‘Cathedral Precinct’, between Twist and Eloff Streets. Secondly, Ithemba Property Trust (Ithemba) has launched its Legae La Rona Neighbourhood initiative in Berea.
Legae La Rona Neighbourhood

Ithemba’s programme covers seven city blocks in Berea, lying broadly between Park Lane, Lily Avenue, Beatrice Avenue and Olivia Road. It is a more mixed neighbourhood of high-, medium- and low-density properties than the denser footprint of Petersen Street, includes a large school on Barnato Street, and involves some 40 property owners. Ithemba is the driving force behind Legae La Rona, which was launched in 2005 and draws on both the ENP model and KUM experiences with CIDs.

Legae La Rona is one of the five Property Owners & Managers Association (POMA) residential improvement districts targeted in Hillbrow, Berea and Braamfontein. The link to POMA (in which Ithemba is a prominent member) is considered important in adding to the project’s profile. Legae La Rona’s institutional architecture is similar to the ENP, with the initial set-up of a steering committee and moving to the establishment of a S21 management company. Membership of the management company will include property owners, as well as representatives from the school and local community.

At this stage in its development, priorities in Legae La Rona are on establishing a visible security presence (in the form of street guards and possibly watchtowers) and a cleaning service to supplement council provision. Links have already been established with council service departments, and requirements for specific inputs (for example, road signage) being developed. There is also a possibility for an extension to the initiative to cover properties between Fife Avenue and O’Reilly Street, but these will remain on hold until the San Jose building eviction case is concluded.

10 Conclusion and Recommendations

CIDs are an important resource in the CoJ’s regeneration efforts in the city, providing an opportunity to develop viable partnerships with local businesses in developing sustainable communities. They add complementary services and supply an intense focus in identifying and addressing local problems to improve the trading environment and the public realm.

However, the current assignment also suggests that there a number of aspects to the establishment and operation of CIDs to which the CoJ should give particular attention, and these are set out below in the form of recommended actions.

Relationship with the CJP/KUM

The CoJ should not enter into a formal partnership or formally structured venture with the CJP/KUM. While the CJP/KUM is the dominant supplier of CID related services, it is not the only one active or planning to enter the market locally and elsewhere. The CoJ should keep alert to possibilities of other service providers in the field, who may bring a competitive edge to service costs. KUM’s membership of the Kagiso Group also means that any potential formal relationship could lead to the CoJ being compromised by activities of other Group companies. In addition, by using the CJP/KUM solely in an agency role for levy collections, the CoJ can steer clear of possible complications under the Municipal Structures Act, which would draw scrutiny from the Auditor-General.

Establishment Process for City Improvement Districts

It is recommended that the CoJ (particularly the EDU, the new DPUM and MOEs) are brought into process of planning to set up a CID at the earliest feasible stage, rather than being included post hoc. The purpose here is to lay a solid municipal foundation for a
sustainable and ongoing partnership, and will be particularly important if the DPUM’s programmatic approach to identifying regeneration areas is to have success. The CJP/KUM will need to notify the CoJ of any areas with nascent interest in establishing a CID, and bringing in the CoJ MOEs and other relevant agencies at an early stage. The CoJ should consider putting in place a formal operations protocol with the CJP/KUM, any other CID service providers, neighbourhood improvement district operators, MOEs and service departments to consolidate and make this arrangement operational.

Deepening Awareness and Embedding the CID Concept

It became apparent during the course of this assignment that the CID concept and purpose, legislation and operational rationale are not as well known as ideally should be. Terminology is not well understood and somewhat confusing – for example, CIDs can be designated ‘formal’, ‘informal’, ‘voluntary’ or ‘legislated’, depending on their stage of existence. Agencies such as the JDA operate arrangements in precinct developments that are CID-like, but do not yet have a management body (for example in Newtown). Up-to-date institutional knowledge seems to reside mainly in the CJP/KUM (not surprisingly) and key agencies including the JDA and Inner City Task Force, but even here knowledge is confined to direct experiences. Although CID management bodies include representatives from CoJ administrative regions, it was reported that their impact and support varies. This may be due to failures on the part of individuals, or institutional inefficiencies (in which case this should improve with the formation of the DPUM).

The current CoJ administrative restructuring provides an opportunity to address this omission, and it is recommended that consideration be given to holding a workshop to review CID progress, identify key strategic issues and establish the basis for sustainable partnership arrangements. The workshop also provides the opportunity to test the possibility and content of the proposed operations protocol.

Attendance should include representatives of current and proposed CIDs, and their counterparts from the DPUM, regional offices, MOEs and other relevant stakeholders. It should be practitioner-focused, and one simple but important objective should be to establish a common understanding of processes, terminology, roles and responsibilities. Handled correctly, the event would provide an opportunity to increase the profile of CIDs (and so boost private sector interest), emphasise and refresh the partnership approach and inculcate the ‘passion for excellence’ needed to make CIDs a success among CoJ and MOE staff. A public-private network of informed CID practitioners would be an important asset in ‘thickening’ the city’s institutional resources for urban regeneration.

Service Level Agreements

The CoJ should expedite the process of drawing up SLAs with its MOEs and putting in place clear expositions of service delivery arrangements in CIDs. Positive consideration should be given to allocating dedicated human resource capacity to maintenance, review, monitoring and evaluation of SLAs.

Neighbourhood Improvement Districts

The initiative to promote improvement districts in inner city areas is to be commended and should receive more support by the CoJ. The Hillbrow and Berea projects have the potential to be taken up to scale, which would make a massive contribution towards the CoJ’s efforts to create more desirable neighbourhoods in these areas. The Neighbourhood Improvement Districts should be coordinated with the CoJ’s plans to address problems associated with sectional title buildings, as well as a more integrated
effort from the MOEs, SAPS and JMPD to deal with urban management and security issues. They could also benefit greatly from a faster approach to implementation from the Better Buildings Programme. The application of SLAs for these areas would also be a positive contribution from the CoJ.

These projects are exciting developments that have been carried so far by their NGO and private sector originators – they deserve support and focused resources from the CoJ to maintain the momentum and increase their impact. At a broader level they are possibly the harbinger of a community-based institutional presence in poorer residential areas – although the details are beyond the scope of this report, there are similarities with the Community Development Corporation model which is widely used in the United States and may repay further investigation.

It is recommended that the EDU/DPUM and possibly the city’s Department of Housing give positive consideration to providing financial support for action research work at the feasibility and planning stages of neighbourhood improvement districts, as well as a greatly improved effort in service delivery and coordination.

City Improvement Districts in ‘Marginal’ Commercial Areas

The JDA’s efforts to set up a CID in Yeoville should be monitored closely, and the outcomes circulated among CoJ counterparts, MOEs and relevant CID stakeholders. The Yeoville initiative is already providing certain pointers to the possibilities of setting up CIDs in similar areas, such as Orange Grove, Rossetenville and other areas to the south of the CBD, and development nodes in Soweto, including the Vilikazi precinct. The EDU/DPUM should select a small number of potential target areas and initiate a similar set of baseline research activities, based on the Yeoville model.

In addition, the EDU/DPUM should engage closely with National Treasury in the implementation of the NDPG, with a view to introducing CID establishment as a post-investment component of the grant.

Resources to support CID establishment and operation

The EDU/DPUM should give serious consideration to establishing a formal programmatic budget line for CID establishment and operation. Seeding the initial work to define a potential CID is likely to be a worthwhile investment if a well-planned and viable CID can be brought into being, and it could also encourage latent ‘project champions’ to commit energy and resources. This will be particularly relevant in addressing less well-off commercial areas in poorer parts of the city. Finance should be made available to support activities including:

- Action research
- Infrastructure and buildings surveys
- Business planning
- Public participation and information sharing

In addition, the EDU / DPUM should also consider establishing a systematised approach to monitoring and evaluating the impact and performance of CIDs and their variants. This would assist in deepening institutional knowledge among practitioners, and allow for comparative assessment of the performance of CIDs and their variants in areas with different socio-economic characteristics. With such information, the CoJ can develop a more sophisticated ‘toolbox’ of approaches to area-based regeneration.
Annexe One

Key Informants Interviewed

T Adler  CEO, Johannesburg Housing Company
J Adler  Social Consultant, eKhaya Neighbourhood Precinct
L Bethlehem  CEO, Johannesburg Development Agency
N Cachalia  Director, City of Johannesburg City Safety Programme
B Debnam  Consultant, Newtown CID
T Ehlers  City of Johannesburg Development Planning & Urban Management
I Florence  City of Johannesburg Treasury
N Fraser  Urban Inc
Y Horowitz  Manager Strategy & Planning, Johannesburg Development Agency
D Masilela  Marketing Manager, Johannesburg Housing Company
B Miller  CEO, Ithemba Property Trust
M New  City of Johannesburg Inner City Task Team
T O’Brien  Portfolio Officer, Johannesburg Housing Company
L Pernegger  Programme Manager (Area Regeneration), City of Johannesburg Economic Development Unit
J Spiropoulos  Director, Kagiso Urban Management
A Steffny  Director, Kagiso Urban Management
ENDNOTES

1 Hoyt L (2003). The Emergence, Success and Implications of Business Improvement District Organisations. Department of Urban Studies & Planning, Massachusetts Institute of Technology.
3 Kagiso Urban Management website: www.kum.co.za