

INNER CITY STAKEHOLDERS' SESSION



Architects of Growth

Angela Rivers – General Manager

WHO IS JPOMA?

The Johannesburg Property Owners and Managers Association (JPOMA) represents most of the credible Johannesburg Inner-City property owners, developers, investors and managing agents. We are active in the rejuvenation of the inner city through building upgrades, conversions and effective urban and building management.

R13bn of private capital invested.

Represents over **70,000** affordable housing units.

Accommodates in the region of **250,000** inner city residents.



WHO DOES JPOMA ACCOMMODATE?

Affordable Housing

Rentals Between **R1,750 – R6,500**

Family Income of **R4,500 – R25,000**

JPOMA members pay The CoJ approximately
R80M per month for services and taxes.
This is **R1BILLION** per annum.

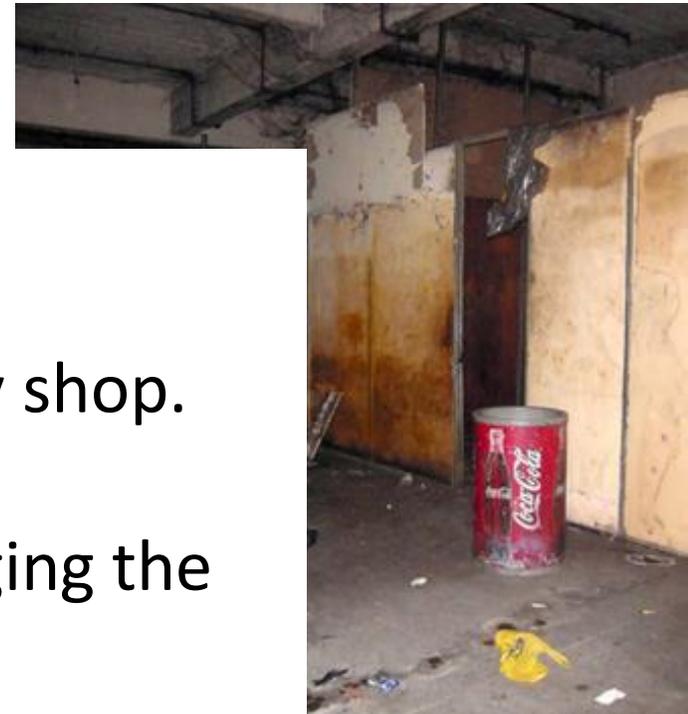
A NETWORK AT WORK

OUR LIVES ARE INEXTRICABLY LINKED TO THE CITY

- Our tenants use the city - they walk, they drive, they shop.
- Safe and clean are key!
- Through CID's and Safety Forums we assist in managing the built environment.
- JPOMA members are members of the inner-city CID's, which is an important resource.

COJ – OUR BIGGEST TRADING PARTNER

- 40% of our expenditure is paid to COJ.
- R80M per Month, R960M per year.
- We administer 70 000 households - deliver services and recover costs.





ECONOMY AND JOB CREATION

- Aside from our rates and taxes, from the people we employ and the service we procure, it is through the properties we upgrade and manage that we have a greater impact.
- In doing so we help to create a vibrant and functioning inner-city and this contributes exponentially to the greater economy.
- JPOMA has partnered and supports the Woza Work project through the JICP.

STRATEGY AND POLICY OPPORTUNITIES

- The city has many great policies. However, they do not always speak to each other and are difficult to implement.
- Dealing with planning and various departments is cumbersome and time consuming:
 - Alternative Accommodation – There is no clear policy or strategy to resolve this issue.
 - Zoning – changes in zoning are cumbersome and the policies don't take into account the trends in usage in the inner-city.
 - UDZ - what is the future and how can it be made better?
- Many policies just need to be implemented:
 - Informal Trade Policy
 - Special Rateable Area Policy

PARTNERSHIPS AND INFORMATION SHARING

- We work very closely with the JICP, The Firm, GPMA and the various CID's.
- JPOMA has always engaged with The City and pursued an effective working relationship.
- There are willing communities and community members that want to get involved.
- Over the last 6 years, JPOMA has worked with the CoJ Revenue Department, resolving over 150 historical and complicated matters.
- We work well with Billing, Rates and City Power.
- However, Joburg Water are reluctant to work or partner with anyone, including the other entities within the city.

SOLUTIONS – LOOKING AHEAD

PARTNERSHIPS AND INFORMATION SHARING

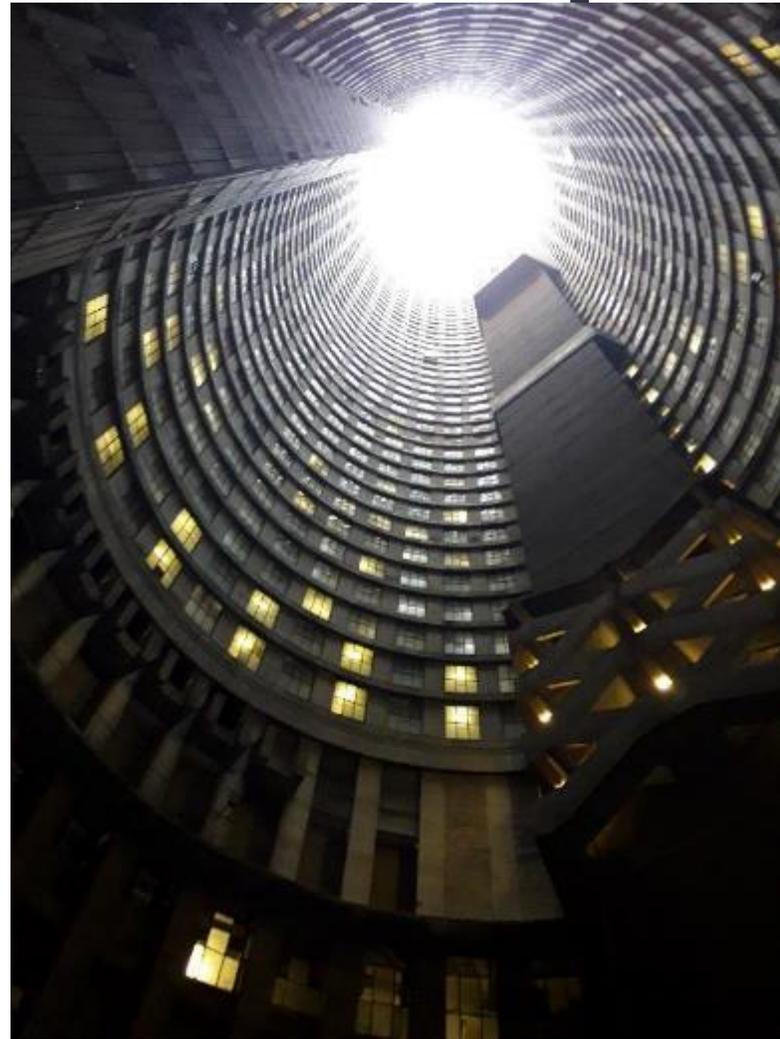
Let the private sector be part of the active thinking and planning process in tariffs, by-laws, policies and documents **BEFORE** they go out for comment.

Council spends time putting these documents together and they are not always investor friendly or as pro poor as they would like to think. By being part of the process well in advance, you create an opportunity and promote development in a smart way.

There is an arrogant incompetence that needs to be addressed in some of the Municipal Entities.

TARIFFS

- Increases way above inflation for the last 14 years - while service delivery and the state of the city has deteriorated.
- Inner City is becoming unaffordable and is no longer investor friendly.
- Rates go up as properties are improved, if investment leaves the city, how will CoJ increase and collect rates?



- The city can no longer increase tariffs to cover its inefficiencies. Improvements need to come from within.

Total Increases From 2008 - 2022	
Household Income	119%
Rentals	111%
CoJ Charges	385%

Tenants will start moving to more informal accommodation so they can get services for free.

TARIFFS

Social Housing - Flat Tariff		Affordable Housing - Flat Tariff	
Rent	1 000.00	Rent	4 289.00
Water - 12kl	151.78	Water - 12kl	151.78
Water Demand Levy	28.32	Water Demand Levy	28.32
Sewer - fixed rate	280.11	Sewer - fixed rate	280.11
Electricity - 400kwh	652.76	Electricity - 400kwh	652.76
Refuse - fixed rate	96.00	Refuse - fixed rate	96.00
Total Rental Expenses	2 208.97	Total Rental Expenses	5 497.97
Total Council Charges	1 208.97	Total Council Charges	1 208.97
Council Charges as percentage of Tenant Expenses	55%	Council Charges as percentage of Tenant Expenses	22%
Social Housing - Multi-Dwelling		Affordable Housing - Multi-Dwelling	
Rent	1 000.00	Rent	4 289.00
Water - 12kl	151.78	Water - 12kl	151.78
Water Demand Levy	28.32	Water Demand Levy	28.32
Sewer - fixed rate	545.27	Sewer - fixed rate	545.27
Electricity - 400kwh	652.76	Electricity - 400kwh	652.76
Refuse - fixed rate	96.00	Refuse - fixed rate	96.00
Total Rental Expenses	2 474.13	Total Rental Expenses	5 763.13
Total Council Charges	1 474.13	Total Council Charges	1 474.13
Council Charges as percentage of Tenant Expenses	60%	Council Charges as percentage of Tenant Expenses	26%

This is a perfect example of how The City is reversing Social Housing

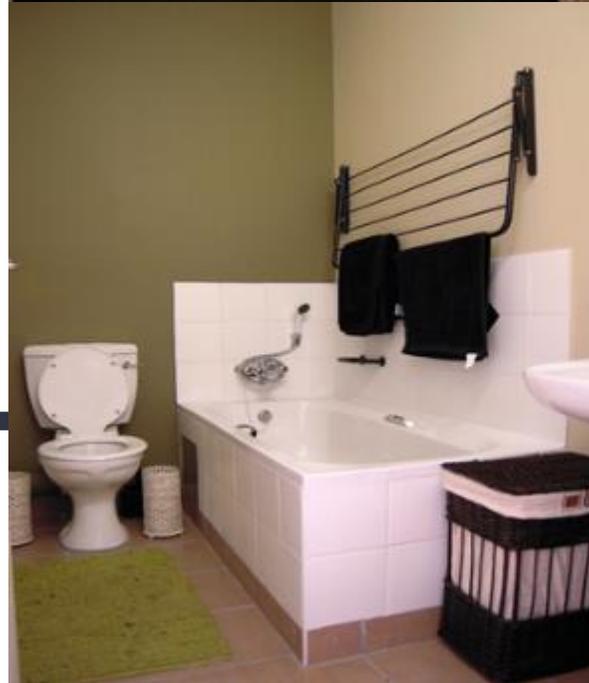
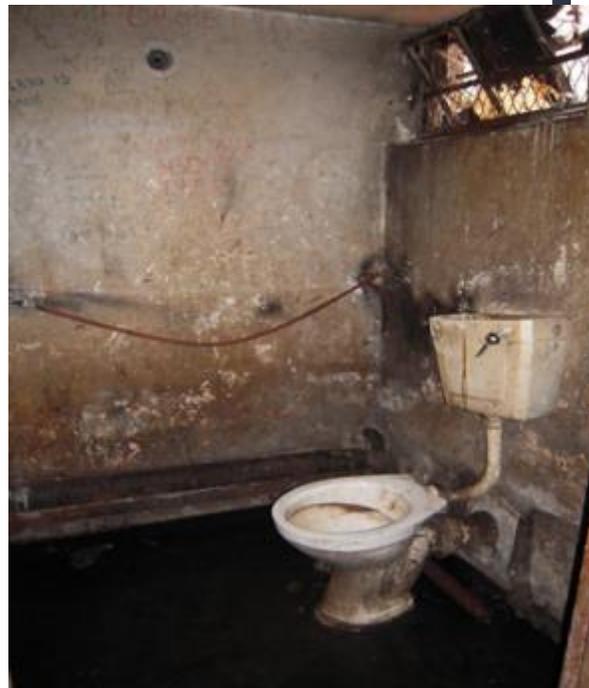
SOLUTIONS – LOOKING AHEAD

TARIFFS – The Single Biggest Risk to Affordable Housing

- No more increases until The City's house is in order! Senior staff should be rewarded on true measurable deliverables and KPIs, stop rewarding bad behaviour.
- Sort out your property descriptions in the tariff documents.
E.g. Multi-dwelling¹
- The City already has a "Flat Tariff" for block of flats. These tariffs should be more affordable than multi-dwelling or stand-alone houses.²
- In the past we have notified The City of issues with their tariffs and we are ignored. We go to court and we win with costs, wasting more taxpayer's money! We would prefer to have meetings and work together then going the legal route.³

TARIFFS - SEWER

- An Inner city 30sqm bachelor flat pays the same as a 300sqm erf in the suburbs.
- R280.11 inc. VAT.
- This is a fixed charge, regardless if the flat is occupied!
- The Multi-dwelling tariff has been applied to various inner-city blocks of flats, almost doubling sewer charges.



LOOKING AHEAD

Per Unit Per Month	Inc. VAT
Flats	280.11
18m ² - 120m ²	
Multi-dwellings	545.27
18m ² -	
Private Dwelling	280.11
Up to and including 300m ²	
Private Dwelling -	545.27
Larger than 300m ² to 1000m ²	

We have requested and recommended over the years that sewer is charged based on usage, as is done with prepaid residential water and commercial water.

TARIFFS - REFUSE

- The recent back billing from Pikitup has levied millions of Rands on already struggling companies. This is currently in the court system.
- Pikitup services have deteriorated significantly over the last 3 years.
- Great example of The City slapping its partner in the face!



LOOKING AHEAD

- Reverse the illegal Pikitup back billing and do away with the per unit charge.
- The pay per use principal needs to apply. i.e. per bin charge and not per unit charge.
- Use per bin charge to encourage recycling.
- Allow private refuse collectors to be used on residential properties.

TARIFFS - RATES

- Every 4 years (or GVR) rates tariffs revert from applied usage back to zoning of the property.
- Property owners are forced to re-apply for residential tariffs every 4 years or will automatically be billed commercial rates.
- This is time-consuming and we are left paying inflated rates until the application is processed.



LOOKING AHEAD

- Once a tariff change has been applied for, it should stay that way until another tariff change has been applied/requested.
- Developers have already spent millions converting their properties into residential, the chances of them changing back to commercial is minimal.
- Discounts for bulk zoning changes.

BILLING

- Wrongful disconnection notices. These cost The City a fortune in tax payers money.
- Reference numbers closed without informing clients.
- Call Centre and Walk-in Centre Staff do not always know or understand the queries.
- New e-joburg.org.za site is fantastic and easy to use.



LOOKING AHEAD

- We have requested for years that notices be emailed to the same address that the account go to. This has never happened!
- If reference numbers are closed or updated, this should be communicated to the client.
- Call Centre and Walk-in Centre Staff need constant training.

SERVICE DELIVERY

Service delivery is an issue that effects everyone in the city.



- We continuously pay for services that we do not receive, The City is in a dire state.
- Low levels of confidence and trust in CoJ.
- Some departments are more reactive than others. Generally not good. City Power App works well.
- Get the systems to work - and hold the municipal entities accountable.
- **Cost of Investment vs Returns – High administrative costs, with little or no service delivery, degrades investment attractiveness**

SERVICE DELIVERY

- 1 April 2021 – All JPOMA members were requested to log service delivery calls for a month.
- 150 service delivery issues received.
- Various issues from potholes, streetlights, overgrown weeds, burst pipes.
- Used various City platforms to log calls.
- Summary of data and letter was sent to then Mayor, Geoff Makhubo.

- Re-sent and forwarded to various staff, over the period of a month.
- Was eventually responded to and told that we would get an update.
- No update to date.

COJ	Closed	Closed - N/R	Open	Grand Total
JRA	7		54	61
Jwater	2		32	34
City Power	5	4	15	24
Pikitup	2		14	16
City Parks			13	13
COJ			2	2
Grand Total	16	4	130	150

SERVICE DELIVERY LOOKING AHEAD

This should be taken more seriously by The City. The success of a municipality is based on their ability to delivery service.

There are Apps available that should be fixed and made available to members of the public. E.g. City Power App.

- Start with the basics and the most visible; potholes, dirt, dumping, litter, street lights and weeds!
- CID's were supposed to be supplementary services, now they are primary. Either allocate funds to CID's or hold the Municipal Entities responsible.
- Some developers in the inner city have been here for over 22 years. They have seen 8 Mayors. They would not still be here if they had not learnt how to make it work, despite The City. They want to share their tips and tricks.

SERVICE DELIVERY SEPERATION @ SOURCE

- Separation at Source is not happening effectively.
- The City's Landfills are struggling to keep up with the amount of trash residents are producing.
- Sorting and Recycling is not being pushed or encouraged.
- Informal Recyclers are not supported with transport or places to sort, and yet they do the majority of sorting.

LOOKING AHEAD

- There are private youth organisations, like LOCK (Love Our City Klean) that are passionate about the environment and recycling. They have developed a tenant training program as well school recycling programs. They should be supported by The City.
- Informal Recyclers should be encouraged. They need spaces to sort, means to transport recyclables and assisted with the monopoly of the buy back centres.

SAFETY & SECURITY

- **Safety and security is fundamental** - it doesn't matter how good the building is if the tenant gets mugged on the way to the bus.

LOOKING AHEAD

- We welcome the new JMPD officers in the city and the commitment from JMPD. However, they need to be managed and deployed wider and in smaller groups. We would suggest teams of 2/3, constantly moving around to increase visibility and effectiveness.
- **Use the Resources – FIRM, The CID's and their Security Companies and Building Managers.**



BYLAW ENFORCEMENT

Bylaw enforcement and basic policing are desperately required. There is a culture of impunity.

LOOKING AHEAD

- We suggest that JMPD works with the CIDs and Building Managers to clamp down on by-law infringement.
- Urban Managers and Building Managers are available eyes and ears on the ground.
- Use the private sector resources to assist in cracking down on bylaw infringements.

PROBLEM PROPERTIES

Various task teams and meetings to resolve this, with little impact. This is organised crime and the system is corrupt. GFIS was not effective in the past, we hope they will be effective going forward.

LOOKING AHEAD

- JPOMA, CIDs, FIRM need to be included in all meetings, we have institutional knowledge and ideas.
- Reinstate Problem Properties Project (opening properties to developers) – we suggestion an auction process as opposed to 100 year lease.
- Use The City's By-Laws and Policies, these properties are not for human habitation!



COMMUNITY FACILITIES

INNER-CITY PARKS

- The Inner-City population has increased significantly but creation of social amenities has not. There is a huge shortage of accessible parks in the inner city.
- Become a gathering space for criminals and drug addicts.
- Impossible for children to enjoy the open spaces and facilities.
- Partnering with City Parks to privately manage parks is a long and tiresome exercise, with mostly no success.
- Example – Portplein Park – 2 years and still not upgraded.

LOOKING AHEAD

- We suggest allocating this money to the CIDs to execute the upgrades and manage the park.
- Allow the Private Sector to manage the parks in their area.



COMMUNITY FACILITIES

INNER-CITY SCHOOLS

- Huge shortage in schools, to match the increase in inner city tenants.
- Process of building is clumsy and tiresome, causing huge delays and penalties.
- Implementation of special school tariffs is tedious and time consuming.
- There is no support for developers wanting to open inner-city schools.

LOOKING AHEAD

- Current policy is not investor friendly, cut down the red tape and make it easier to open inner-city school.



COMMUNITY FACILITIES

HOMELESSNESS

The externalities of the massive social problems are currently evident and impact the Inner City visibly.

LOOKING AHEAD

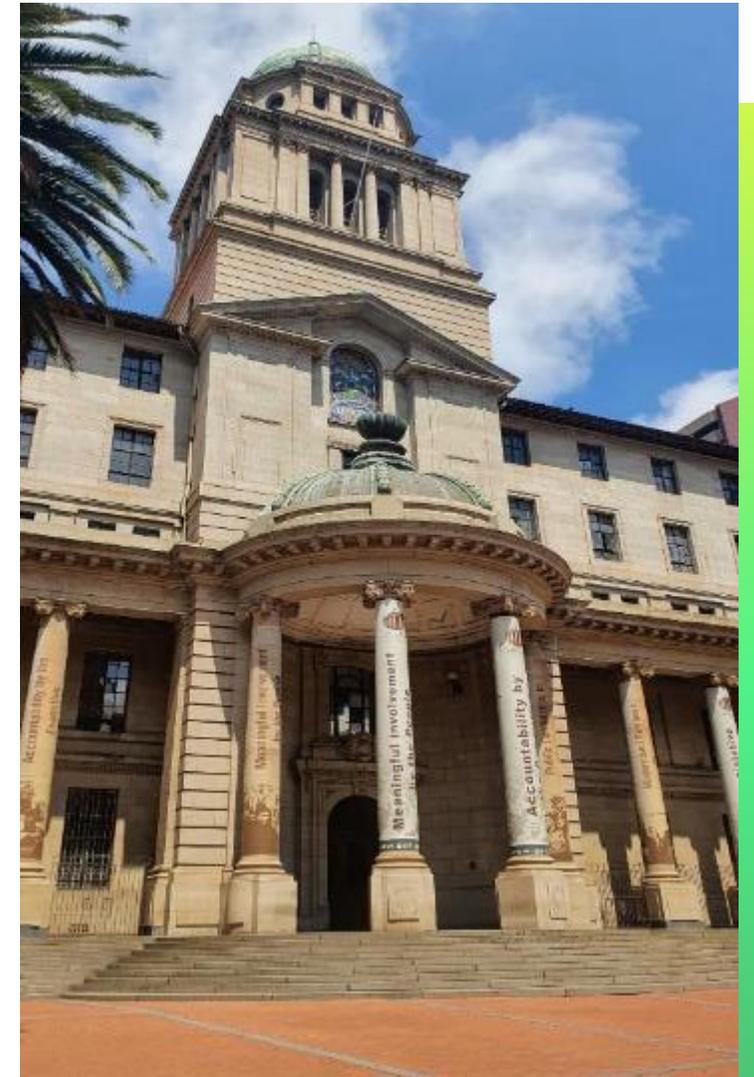
Private sector addresses this in many ways and we request that The City takes this issue seriously.

Allocate sufficient budget and infrastructure to address this issue by partnering with (not duplicating) and assisting the various private sector interventions. Homelessness Network is a perfect example of a private sector intervention.



HERITAGE

- The property boom of the 60's and 70's is coming up to 60 years old.
- This means heritage approval ahead of any development
- There is a flood of these applications coming
- **Is the City prepared for this?**



LOOKING AHEAD

Regular Meetings - We request a one hour dedicated monthly or bi-monthly meeting with The Mayor and her team. If the inner-city is really a top priority, then this should be a given!

We all need and want a city that works. We stand willing and able to assist you to achieve this!

You've seen the work we do and the resources we have.

Now how can we help?

How can we work together to fix Joburg?



'If you want to go fast go alone.
If you want to go far go together.'

– African Proverb