

Subcouncil - Matters Receiving Attention Report

Subcouncil 10

Agenda Item No:	10SUB 6/4/2018	1	MOTION RECEIVED FROM COUNCILLOR MAHOMED FAROUK CASSIM THAT, IN VIEW OF ACCELERATING CLIMATE CHANGE AS WELL AS ECONOMIC AND SOCIAL CHALLENGES, SUBCOUNCIL REQUEST COINCIL TO INITIATE A STUDY ON ITS BEHALF CALLED "OPPORTUNITIES IN KHAYELITSHA" UTILISING INTERNAL DEPARTMENTAL EXPERTISE AND RESOURCES IN THE FIRST INSTANCE AND TO THE EXTENT NECESSARY FOR REQUESTING PROVINCIAL GOVERNMENT SUPPORT TO FILL IN ANY GAPS
Author:	Mandlenkosi Sitonga		
How Resolved:	Consensus		
Meeting Date:	2018/04/20		
Outstanding:	344		
Directorate:	AREA-BASED SERVICE DELIVERY		
Department:			
Preamble: The Subcouncil Manager informed the meeting that the motion by Cllr Cassim has been escalated to the office of the director and said the motion has been sitting in MRA for more than 299 days			
Resolution Details: To FOLLOW up on the motion with the department of Integrated Urban Management –Portfolio. ACTION : G OELOFSE; B MAKHULENI			

Agenda Item No:	10SUB 11/4/2018	2	REQUEST EMANATING FROM CHAIRSPERSON'S REPORT: TITLE DEEDS
Author:	Mandlenkosi Sitonga		
How Resolved:	Consensus		
Meeting Date:	2018/04/20		
Outstanding:	344		
Directorate:	AREA-BASED SERVICE DELIVERY		
Department:			
Preamble:			
TheSubcouncil Manger informed the meeting that, the issuing of title deeds is ongoing and said as from the 1st of July there is budget for issuing of title deeds			
Resolution Details:			
The project is ongoing Action: M Sitonga			

Agenda Item No:	10SUB 6/6/2019	3	PRESENTATION ON KHAYELITSHA CBD DEVELOPMENT PROJECT PLANS & CHALLENGES
Author:	Mandlenkosi Sitonga		
How Resolved:	Consensus		
Meeting Date:	2019/06/14		
Outstanding:	44		
Directorate:	URBAN MANAGEMENT		
Department:	Sub-councils		

Preamble:

The Chairperson introduced Ms. Bulelwa Bela-Toni who is the Chairperson of KCT and Mr. Mkhululi Gawula CEO of KCT to do their presentation and said this item is more important to the community of Khayelitsha. Mr. Gawula greeted the councillors and everybody present at the meeting, he introduced Ms. Funeka Mpetanyathi who is one of the trustees. Mr. Gawula said today's presentation is to update subcouncil 10 mainly about progress of Khayelitsha CBD development project plans and challenges and what has been achieved. He said they will focus mainly on plans of CBD going forward. He said the trust was established by the City of Cape Town in 2003 as entity and was operated by the City until 2008 and said he will talk about the piece of land that was acquired to build the Khayelitsha Mall together with the City and Merchant Bank. KCT is governed by boards of trustees, the trustees are nine and seven staff members and KCT is no longer a City entity since 2011. He said on the North of the precinct they have a plan to build a private hospital and said the licence is coming to an end in September 2019. He said phase 1 was completed of retail centre that resulted providing employment to more than 200 local people at a total cost of no less than R 20 million. He went on and said the City of Cape Town is delaying to have the land transferred to KCT and said if KCT is no longer the City entity then the land will be sold at market value, he said they have acquired sponsors but due to delaying of land transfer there is nothing they can do.

He said in 2019 they are planning to build houses, and said the bulk infrastructure installation is completed and electric services are due to start Sept 2019 and are having talks with Eskom. The presenter said 6 hectares of land to be transferred to be beneficiaries to build 368 units and said the type of houses to be build will be for the project subsidy houses to cater for those with low income. He said the steering committee has been established. On private hospital they had a meeting in May about the land delay for CBD development, plans are already in place once the land is approved. There is also a plan to enclose the Khayelitsha mall as everyone is aware that the mall is not closed. He said the most challenging thing is the land transfer as the land still belongs to the City and some investors cannot invest due to land not transferred to KCT. In closing he said the land is being given to them at market value and with that, he said it will be difficult for KCT to lobby any investor as it means they must double up the value and said but they did have an agreement with the City to release the land to KCT. He said there is an agreement with KCT and City that the land can be charged at a normal rate on what we will be built on the land not on market value.

Comments:

- Chairperson thanked the presenter and said to the meeting he will allow questions from the councillors
- Cllr Cassim asked who are the beneficiaries of KCT and what benefits have been flowing through since the trust has been formed? What are the City delays in transferring the land, He said they are eager for development to happen at a rapid pace and said from 2003-2019 it's been 16 years and there is little they have done, lastly he said there was a presentation that was tabled before, so far KCT is still stuck at the level of planning? Why the land cannot be negotiated at a reasonable land fair rate
- KCT was established in 2003 by the City of Cape Town to empower the community of Khayelitsha through the promotion of social and economic development in the region. Through a land availability agreement concluded between KCT and COCT on 20 August 2014, KCT secured land of 73 hectares erf 58856-portion erf 18370 and 19176 to advance the Khayelitsha business district through the development of commercial, residential and commercial facilities. All KCT's operational overheads have been funded by the COCT since its inception. Due to the implementation of the entity in 2006, which required KCT to comply with the MFMA's and also required a change in the trust deed and trustees. The trust deed established the trust and sets fiducial responsibilities for board members. CoCT decided to relinquish overall control over KCT due to some auditing requirement and resulted in KCT's status being changed from Municipal entity to public benefit organisation (BPO) with effect from 1 July 2011. 6 hectares of the total 23 hectares' piece of land which is made available for residential development has been serviced. In 2013 the trust entered into land agreement with the City of Cape Town for 10 hectares' phase 1 of housing land. The sale agreement has not yet been finalised even though KCT has already paid 10% of the required R800 000 to transfer the remaining 4 hectares of housing land.
- The Chairperson appealed with ward committees to work very hard and promised that this will be a standing item in the subcouncil agenda until it has been resolved and urged ward committees to report back to their

respective sectors.

- Ms. Belu-Toni said the beneficiation is in different levels of operation, and KCT has database of people who benefited starting from local entrepreneurs to ordinary people and made an example in Town Two where KCT assisted a family that was destitute to bury their loved one. She named a few examples of business people who benefited from KCT projects.
- Mr. Tyhido one of the trustees at KCT said KCT was funded by the City then decided not to fund the trust anymore and said KCT is no longer the entity of the City of Cape Town and is not governed by MFMA policies. He said the beneficiaries who are the community of Khayelitsha will be the one informing the subcouncil.
- Cllr Mbolombo welcomed the presentation and said it is their responsibility to support these initiatives and said as a subcouncil they should welcome and acknowledge that KCT is no longer the entity of the City of Cape Town.
- If the founder of KCT who is the City of Cape Town relinquished the overall control of the trust, who becomes the founder? The councillor supported that the land be given to KCT at market value.
- The Chairperson said by look of things and what was presented to them today, the item needs more time, Chairperson concurred with Cllr Mbolombo statement that if KCT is no longer an entity of the City then the land should be given at market value and asked if KCT will be able to pay the price, he takes the point made by Mr. Gawula that there are investor waiting to invest, ad said then the land should be sold at market value.
- Cllr Peter said for the first time in this term of office, it is the first detailed presentation given by KCT, and asked if all the beneficiaries of the Trust are born and bred in Khayelitsha.
- Chairperson alluded by saying communities are looking at them as public servants and said intervention by leadership is needed as they are not part of the engagement and said not a single meeting councillors were invited by KCT.
- The Subcouncil Manager said he is not going to elaborate on this matter and said in today's agenda under item **10SUB 16 /06/19** there is an item about establishing an ACT that will conduct meetings on a monthly basis and said KCT will be invited where KCT will be expected to give update to the Subcouncil.

Resolution Details:

That the presentation on Khayelitsha CBD development project plans & challenges **BE DEFERRED**, with the suggestion that a follow up meeting with KCT be held outside subcouncil meeting

That on a monthly basis KCT to provide subcouncil with an update through an ACT that is to be established by the Subcouncil and MURP by submitting written reports.

Action: M Gawula; B Makhuleni