



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

POLICY

ESTABLISHMENT AND FUNCTIONING OF COMMUNITY RESIDENTIAL UNITS (CRUs) COMMITTEES (POLICY NUMBER 36030)

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ABBREVIATIONS

IDP	Integrated Development Plan
CDS	City Development Strategy
CRU	Community Residential Unit
MOU	Memorandum of Understanding
NDP	National Development Plan, 2030
SDS	Social Development Strategy
ToR	Terms of Reference

DEFINITIONS

"Backyarder"	means a person occupying an informal structure in the yard of a formal residence;
"City"	means the City of Cape Town, a municipality established by the City of Cape Town Establishment Notice No. 479 of 22 September 2000, issued in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) or any structure or employee of the City acting in terms of delegated authority;
"Communal municipal services"	means services located in common areas such as area-lighting and refuse bin holding areas for the benefit of all tenants;
"Community residential unit Committee"	means a specified number of tenants elected to partner with and assist the City in providing an improved tenancy management service to tenants;
"Community residential units"	means a new, redeveloped and refurbished City owned rental housing created through the CRU programme for low income persons and includes: (a) Public hostels that are owned by Provincial Departments and municipalities; (b) "Grey" hostels which are hostel that have both a public and private ownership component due to historical reasons; (c) Public housing stock that forms part of the "Enhanced Extended Discount Benefit Scheme" but which cannot be transferred to individual ownership and has to be managed as rental accommodation by the public owner; (d) Post 1994 newly developed public residential accommodation owned by (e) Provincial Departments and municipalities; and (f) Existing dysfunctional, abandoned, and/or distressed buildings in inner city or township areas that have been taken over by a municipality and funded by housing funds.
"Management entity"	means the entity that is designated to undertake the management of stock and tenancies on a CRU project. This can be either a sphere of government; a social housing institution; or a private property management agency.
"Tenant"	means the lessee who occupies a Community Residential Unit and has a signed lease agreement with the City.

1. PROBLEM STATEMENT

- 1.1. The City owns and administers approximately 43 500 community residential units which provide affordable rental accommodation for lower-income groups that are not at present being serviced by the social or other housing programmes. This includes the informal rental market and those not able to access the formal private rental market.
- 1.2. Over the years the management of the CRU units have become increasingly challenging because of the changing local social and economic environment impacting both the households living in the units as well as the City as owner of the properties.
- 1.3. This has resulted in gradual deterioration of the relationships between tenants, the broader community and the City, thereby, adversely affecting the reporting and resolving of tenancy-related matters.
- 1.4. Some of the units have been identified as saleable and a programme is underway to transfer these units to existing tenants who meet certain criterion. However, the majority of the units are multi-storey flats which will remain in the ownership of, and management by the City's Human Settlements Directorate.
- 1.5. For the past number of years the City has invested funds in substantial upgrading more than 7 000 flats and their immediate surrounds in an effort to improve the quality of life of the households occupying the units.
- 1.6. Furthermore, the City is also committed to delivering an improved quality of tenancy management service to all of its tenants and is of the view that the establishment of Community Residential Units committees, in a collaborative partnership role, can contribute in making this a reality.
- 1.7. Evidence from the tenant participation arrangement in some of the rental stock indicates investment in creating and capacitating CRU committees decreases housing management costs by reducing vandalism, anti-social behaviour and rent-arrears and help to improve the efficiency of estate services such as repair and maintenance. Tenant participation schemes aid in community development and harness the skills and good-will of tenants in order to create a better living environment.

2. DESIRED OUTCOMES

- 2.1. CRU Committees shall be established in CRU areas through initiation by the local tenants, the Human Settlements Directorate or the Ward Councillor.
- 2.2. This policy sets out the conditions under which CRU Committees shall be established.
- 2.3. The outcome of this policy will be the establishment of CRU committees that—
 - 2.3.1. support the Human Settlements Directorate in its day-to-day tenancy management, management of public and communal areas in and around rental units and maintenance of communal municipal services and infrastructure;
 - 2.3.2. enable effective communication and information sharing between the City as lessor and tenants as lessees regarding their respective contractual roles, responsibilities and obligations;
 - 2.3.3. assist the Human Settlements Directorate in building or re-establishing trust between the City as lessor and tenants as lessees and third parties where the latter's involvement is necessary and justified because of legislation and policy;

3. STRATEGIC INTENT

3.1. National Development Plan, 2030

- 3.1.1. The Policy supports the provisions for the transformation of human settlements and the national space economy as set out in chapter 8 of the National Development Plan.
- 3.1.2. The Policy encourages communities and the private sector role-players to engage with the City on how to transform the spaces and settlements in which communities live and work. This is a key tenet of the NDP.

3.2. Breaking New Ground: The Comprehensive Plan for the Development of Sustainable Human Settlements, 2004

- 3.2.1. The Policy supports the following imperatives of the Comprehensive Plan for the Development of Sustainable Human Settlements:
 - Involving local communities and the private sector in improving the quality of life of tenants and households in backyards;
 - Combating crime, promoting social cohesion and improving quality of life for the poor.

3.3. Integrated Development Plan

- 3.3.1. This Policy is aligned with the City's Integrated Development Plan (IDP) Strategic Focus Areas of the Opportunity City, the Safe City, the Caring City, the Inclusive City and the Well-Run City.
- 3.3.2. Seven programmes listed under the IDP Strategic Focus Area 3 of the Caring City requires crucial tenant involvement and therefore have direct implications for the Policy, that is –
 - Programme 3.2(b): Use property and land to leverage social issues.
 - Programme 3.3(a): Rental stock upgrade programme.
 - Programme 3.3(b): Rental stock disposal programme.
 - Programme 3.4(a): Anti-poverty programme.
 - Programme 3.4(c): Backyarder services programme.
 - Programme 3.4(d): Energy services programme.
 - Programme 3.5(a): Environmental health-care programme.
- 3.3.3. The Policy also promotes the creation of conditions in backyards which will aid in the prevention of disasters and promote health and safety. These are components of realising the objectives of the Safe City.
- 3.3.4. In addition, the implementation of the Policy relies on greater community engagement and collaboration and, hence, advances the goals for creating an Inclusive and Well-Run City.

3.4. OneCape2040 and City Development Strategy

- 3.4.1. The Policy aligns to two of the six transitions identified in the OneCape 2040 Strategy which underpins the City of Cape Town's City Development Strategy, namely the –
 - 3.4.1.1. Settlement transition (Living Cape) that aims to transform unhealthy, low access, often alienated, low opportunity neighbourhoods into healthy, accessible, liveable multi-opportunity communities who enjoy a good quality of life with access to good public services.
 - 3.4.1.2. Institutional transition (Leading Cape) that aims to create socially responsible leadership at all levels by transforming previously defensive and adversarial structures into open and collaborative systems.

3.5. Social Development Strategy

3.5.1. The Policy aids in the facilitation of three of the "levers" for achieving the Social Development Strategy's objectives of "building safe households and communities"; "supporting the most vulnerable through access to services and infrastructure" and "promoting and fostering social inclusion". These are envisaged mechanisms to promote the social development of communities in Cape Town.

3.5.2. The levers promoted by this Policy are –

- 3.5.2.1. continue to re-orient service delivery to create and maintain safe and healthy environments;
- 3.5.2.2. facilitate access to housing opportunities as an asset;
- 3.5.2.3. promote and foster social interaction through recreational and active citizenship opportunities; and
- 3.5.2.4. facilitate public participation and ensure that marginalised voices are heard.

3.6. Five Year Integrated Human Settlements Plan

3.6.1. The Integrated Human Settlements Plan sets out the 5-year plan for the development of innovative and integrated human settlements. The Policy gives effect to this plan in that it promotes close cooperation with, and drawing on the expertise of locals and community organisations.

4. POLICY PARAMETERS

- 4.1. The policy informs and guides the establishment of CRU committees and their partnership with the Human Settlements Directorate.
- 4.2. The policy only applies to CRU units owned and managed by the City.
- 4.3. Human Settlement Directorate is the primary role-player; however the implementation of the policy will also involve other relevant City Directorates.
- 4.4. Membership of CRU committees will be limited to good standing tenants from the local area and is entirely voluntary and without any compensation.

5. ROLE-PLAYERS AND STAKEHOLDERS

The following role players are identified for the purpose of implementing the Policy's provisions:

5.1. Tenancy and Homeownership Management Department, Human Settlements Directorate

- 5.1.1. The Area Manager will be responsible for communicating, initiating and facilitating the establishment of CRU committees in consultation with the Ward Councillor in the respective housing areas.
- 5.1.2. The Manager, Tenancy and Homeownership Management will be responsible for the drafting of a standardised Terms of Reference, Memorandum of Understanding and Code of Conduct which may include area specific variations and clauses to accommodate local circumstances and conditions.
- 5.1.3. The Area manager shall attend the CRU meetings.
- 5.1.4. The Area Manager shall facilitate the provision of information and communication of City policy, process and procedures to the CRU committees.
- 5.1.5. The Area Manager will be responsible for logistics around committee meetings, including arranging the venue and secretarial support.

- 5.1.6. The Area Manager will consider any proposals from the CRU committee for support in respect of initiatives and administrative requests in line with prevailing City policy and availability of funding.
- 5.1.7. The Area Manager will consider and facilitate any training requests and requirements to capacitate the CRU committee by liaising with relevant line departments or institutions within available resources.
- 5.1.8. The Area Manager shall submit quarterly reports on the operations of the CRU committee to the local Sub-Council Manager and distribute these reports to the Ward Committees.
- 5.1.9. The Human Settlements Directorate shall ensure that the required budgets are in place for the necessary administrative support to the CRU committee.
- 5.1.10. The Human Settlements Directorate shall assist the CRU committees in empowering to render a comprehensive service.

5.2. CRU Committee

- 5.2.1. CRU committees are required to have a Constitution and will operate and function within the parameters of requisite ToR, MoU and Code of Conduct.
- 5.2.2. The functions of CRU Committees are to, inter alia—
- 5.2.2.1. Advise on—
- priorities of maintenance and improvements works within the CRU housing area
 - proposals relating to security, orderliness and cleanliness in open public areas;
 - drawing up of estate management and maintenance action plans.
- 5.2.2.2. Provide feedback and reflect tenants' views on a range of tenancy management matters, including maintenance and improvement works.
- 5.2.2.3. Involve and participate in—
- appraising the performance of contractors who provide services in the housing estate;
 - organising estate community activities.
- 5.2.2.4. Recommend minor local improvement and maintenance works as well as estate management activities for implementation on the housing estate, where resources are made available for this purpose.
- 5.2.2.5. Share information on local government services and communication to the tenants they represent.

5.3. Ward Councillors

- 5.3.1. Ward Councillors may make recommendations on the necessity to establish CRU committees.
- 5.3.2. Ward and PR Councillors may attend CRU committee meetings in their ex-officio capacity.
- 5.3.3. The Ward Councillors may support the operational and training needs of the CRU committees to enable them to function optimally; alternatively the Directorate Human Settlements must budget for training needs.

6. REGULATORY CONTEXT

The following relevant legislation and policies have a bearing on the implementation of this Policy:

6.1. National Legislation and Codes

- 6.1.1. The Housing Act, 1997 (Act No. 107 of 1997)

- 6.1.1.1. Chapter 4 Section 9(2)(a)vi ...facilitating and supporting the participation of other role players in the housing development process.
- 6.1.2. The National Housing Code, 2009
 - 6.1.2.1. Section 4 (1)... A key principle to facilitate communication and participation/inclusion of residents throughout the process.
- 6.1.3. The Rental Housing Act, 1999 (Act No. 50 of 1999)
 - 6.1.3.1. To creating mechanisms to ensure the proper functioning of the rental housing market;
 - 6.1.3.2. To provide for the facilitation of sound relations between tenants and landlords.

6.2. Other National Legislation:

- 6.2.1. Constitution of the Republic of South Africa, 1996
- 6.2.2. The Municipal Systems Act, No 32 of 2000
- 6.2.3. The Municipal Finance Management Act, No 56 of 2003
- 6.2.4. Prevent of Illegal Eviction from and Unlawful Occupation of Land Act, 1998
- 6.2.5. Rental Housing Act, procedural and unfair practice regulations, 2008
- 6.2.6. Rental Housing Amendment Bill, 2011
- 6.2.7. The CRU Policy Framework and Programme Guidelines
- 6.2.8. National Rental Housing Strategy

6.3. City Policies, procedures and by-laws

- 6.3.1. Policy on the Unlawful Occupation of Council Rental Stock , 2008
- 6.3.2. Procedures for the erection of Informal Structures in the Backyards of the City's Rental Stock for residential and non-residential purposes, 2011
- 6.3.3. City of Cape Town: Credit Control and Debt Collection Policy, 2013/2014
- 6.3.4. City of Cape Town: Credit Control and Debt Collection By-law, 2006
- 6.3.5. City of Cape Town: Credit Control and Debt Collection First Amendment By-law, 2012
- 6.3.6. City of Cape Town: By-law relating to the management and administration of the City of Cape Town's immovable property, 2003

7. POLICY DIRECTIVE DETAILS

The following directives intend to guide the establishment and functioning of CRU committees so that these bodies might, through collaboration with the City and in consultation with the Ward Councillor in his/her *ex-officio* capacity, achieve improvement in the management and maintenance of City-owned CRUs.

7.1. CRU committees status

- 7.1.1.A CRU committee is a body that represent a certain number of good standing tenants in a defined number of City-owned CRUs.
- 7.1.2. A CRU committee is only an advisory body and shall in no way take over the ownership of final management function of the City.
- 7.1.3.The scope of work of the CRU committee is limited to those outlined in the MoU and terms of Reference.
- 7.1.4.Only one CRU committee may represent a defined set of tenants.
- 7.1.5.The City shall recognise already existing CRU committees provided that they can produce a ToR supporting their establishment and is representative of the tenants in the area.

- 7.1.6.Tenants may organise to form their own CRU committee, provided that there is no existing CRU committee already and the body represents all tenants in the area.
- 7.1.7.Good standing tenants shall serve on these CRU committees only in their capacity as tenants. Participation is voluntary and without compensation.
- 7.1.8. The CRU committee shall be unbiased.
- 7.1.9.The CRU committee shall be recognised as the formal channel of communication with tenants in a particular area.
- 7.1.10. CRU committees may not accept payments or membership fees from tenants and households in the area.

7.2. Assessment of the number of CRU Committees required per public rental housing area

- 7.2.1.The relevant department shall engage with local stakeholders such as ward councillors and ward committees to determine the number of CRU committees to be established in an area.
- 7.2.2.The relevant department shall consider the number of rental units, housing typology and local socio-economic conditions when determining the number of committees to be established in an area.

7.3. Establishment of CRU Committees

- 7.3.1.The Area Manager will be responsible for facilitating the establishment of new CRU Committees as well as supporting the CRU committees.
- 7.3.2.The Area Manager shall call a public meeting of relevant CRU units where the CRU Committees shall be elected by good standing tenants.
- 7.3.3.The composition of the CRU Committees shall be set out in the Terms of Reference and Constitution of the CRU committee.
- 7.3.4.The maximum term of office of each CRU Committees shall be 12 months (one year) where after new committees must be established. Members of the previous Committee may be re-elected on the new committee to encourage continuity.

7.4. Drafting of Memorandum of Understanding, Terms of Reference and Code of Conduct

- 7.4.1.Each CRU committee shall sign a Memorandum of Understanding (MoU) with the City.
- 7.4.2.Each individual MoU shall contain the following:
 - 7.4.2.1. Clear set of objectives for the CRU Committee;
 - 7.4.2.2. The roles and responsibilities of the City and the CRU Committees, as partners collaborating towards common objectives;
 - 7.4.2.3. Any terms and conditions, the form, value and conditions of reward, if any, for CRU Committee members;
 - 7.4.2.4. Specific training interventions for CRU Committee members and how these will be met;
 - 7.4.2.5. Provisions for disputes resolution between the parties;
 - 7.4.2.6. The process of dissolving CRU Committees when the need arises;
 - 7.4.2.7. Any other matter that should form part of a MoU and by agreement between the parties.
- 7.4.3.Each CRU committee is required to adopt a ToR and shall contain the following:
 - 7.4.3.1. Name of the committee;
 - 7.4.3.2. Composition of membership of the CRU Committee;
 - 7.4.3.3. Programmes for ensuring that the committee is, (or will become) as representative as possible of the whole CRU housing area.

- 7.4.3.4. Details of procedures for the democratic election of officers and members of the CRU committee and of their functions;
- 7.4.3.5. Replacement of members of the committee under certain conditions;
- 7.4.3.6. The role of the CRU Committee;
- 7.4.3.7. The objectives and aims of the CRU Committee;
- 7.4.3.8. How the objectives and aims will be achieved;
- 7.4.3.9. The composition and function of the executive;
- 7.4.3.10. Procedures for liaison with the City;
- 7.4.3.11. Frequency of meetings;
- 7.4.3.12. Details of how members will be notified of the meeting;
- 7.4.3.13. Procedures of meetings, including agendas, minutes and decision-making;
- 7.4.3.14. Dispute resolution as per the MoU;
- 7.4.3.15. Procedures for amending the TOR.

7.4.4. Each CRU Committee is required to adopt a Code of Conduct for CRU Committee members.

- 7.4.4.1. CRU committee members will be subjected to the Code of Conduct as defined in the MoU and ToR.
- 7.4.4.2. Each code of conduct should contain the following -
 - 7.4.4.2.1. A set of rules outlining general conduct
 - 7.4.4.2.2. Commitment
 - 7.4.4.2.3. Unauthorised disclosure of information
 - 7.4.4.2.4. Undue influence
 - 7.4.4.2.5. Breach of Code

8. IMPLEMENTATION PROGRAMME

- 8.1. The stipulations contained in this policy shall apply on signing of the MoU by the relevant parties to the agreement.

9. MONITORING, EVALUATION AND REVIEW

- 9.1. The Human Settlements Directorate will undertake regular monitoring and evaluation of this policy through the compilation and analysis of monthly reports by the Area Managers to the Manager: Tenancy and Homeownership Management and the lessons learnt through implementation.
- 9.2. The Human Settlements Portfolio Committee will play an important role in the oversight of the implementation of the policy and shall propose amendments as needed.
- 9.3. This policy will be reviewed bi-annually.