

PORTFOLIO COMMITTEE :

COMMUNITY SERVICES

Chairperson :

Cllr R Nutt

Committee Members :

**Ald K Brice, Cllrs S Williams,
S Silo, K Ngqandana**

COMMUNITY SERVICES PORTFOLIO COMMITTEE

2 February 2022

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2 February 2022
(Also the agenda for the Mayoral Committee Meeting : 21 February 2022)**

**1.
HOUSING: PROGRESS REPORT ON TRANSFER OF PROPERTIES TO VARIOUS
BENEFICIARIES OF LOW-COST HOUSING IN THE OVERSTRAND AREA FOR THE
PERIOD JUNE 2021 TO DECEMBER 2021**

17/5/4/1

FW Frans

13 January 2022

Senior Manager: Corporate Services

(028) 313 8144

1. Executive Summary

The purpose of the report is to inform the Executive Mayor of progress made to date with the transfers of title deeds in the names of beneficiaries of low-cost housing projects

2. Service Delivery and Budget Implementation Plan - IGNITE

Community Services
Housing Administration

3. Compliance with Strategic Priorities

Provision of democratic, accountable, and ethical governance
Provision and maintenance of municipal services
Creation and maintenance of a safe and healthy environment

4. Delegated Authority

Executive Mayor

5. Legal Requirements

Constitution of the Republic of South Africa, 1996
Housing Act 107 of 1997
Local Government: Municipal Finance Management Act No 56 of 2003

6. Background/Discussion/Evaluation/Conclusion

Background

Various low cost housing projects have been developed in the Overstrand area over a number of years (refer to annexure A). A total number of 32 projects have been developed over the years.

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PROJECT	NUMBER OF PROJECTS	TOTAL HOUSING UNITS
Pre 1994 old schemes	11	1768
Reconstruction and development	21	6227
TOTAL	32	7995

Current Status

(a) Number of transfers

A total number of 7995 low-cost housing properties have been developed, of which 7287 properties have been transferred to date.

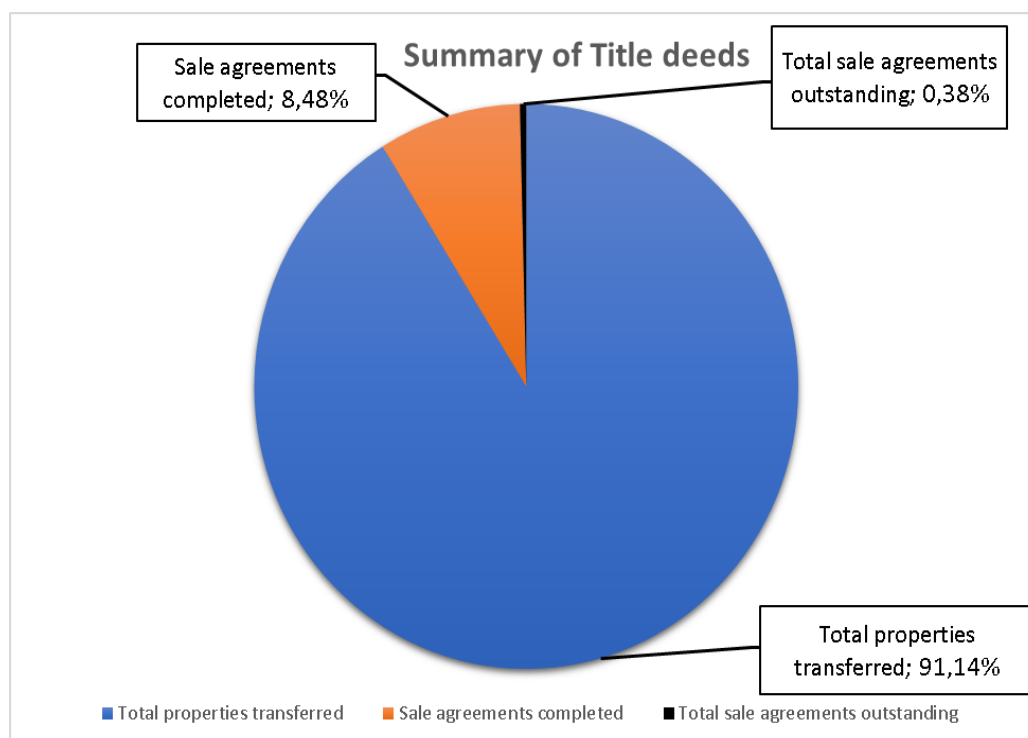


Table 1: Transfers to beneficiaries to date

(b) Transfers: July 2020 to April 2021

On conclusion of the audit for the year ended 30 June 2020, the Auditor General recommended that a panel of attorneys be appointed which specialises in different types of legal services through a competitive bidding process for legal services and enter into framework agreements with multiple attorneys and law firms.

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No progress of transfers of properties for the above period could be made as no conveyancing attorneys have been appointed to attend to the transfers of the mentioned number of properties. The Municipality proceeded with a competitive bidding process towards the end of June 2021. An award was made to a panel of attorneys, excluding the conveyancing and notary services as no bidder was deemed responsive. The Municipality has commenced with a competitive bidding process, and it is envisaged that the tender will be awarded by the end of June 2022.

In order to promote and fast track transfers, the Department: Housing Administration successfully followed an informal tender (below R200,000) process in terms of Supply Chain Management. It is foreseen to hand over the relevant documentation of a number of approximately 150 beneficiaries to the successful Bidder by 28 January 2022.

A total number of 312 properties in the Hawston 378 housing project have been transferred by December 2021. The conveyancing attorneys for the project were appointed by the Implementing Agent.

(c) Current projects

The following projects are currently in progress:

Area	Type of Project	Housing Opportunities
Hawston	Affordable erven (FLISP)	107
Mount Pleasant	Affordable erven (FLISP)	22
Zwelihle	IRDP	150
Zwelihle	Hostel Redevelopment	90
Gansbaai: Blompark	IRDP	539
Gansbaai: Masakhane	IRDP	296
Gansbaai: Masakhane	Upgrading of informal settlements	1184
TOTAL		2388

Discussion

Delay with transfers

Transfers to beneficiaries were delayed/hampered due to the following reasons:

- **Appointment of a panel of attorneys**

The delay in the appointment of a panel of attorneys has had a negative impact on the transfer of low-cost housing properties.

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- **Rates Clearance**

Low-cost housing projects may be exempted from rates clearance certificates in terms of sections 118(4) (a) of the Local Government: Municipal Systems Act 32 of 2000. The former municipal manager granted approval that the last-mentioned amendment of the Act be used in order to fast track transfer. Affected residents remain liable for the payment of any outstanding services accounts.

- **Transfer of Land from Province to Overstrand Municipality**

Ownership of certain properties, especially in Hawston, remained with the Provincial Government of the Western Cape, for example erf 1, Hawston. The last mentioned caused problems in respect of transferring of properties to beneficiaries. This particular erf in Hawston was registered in the name of Overstrand in March 2013 after which the individual registration of properties at the Deeds Office could be affected.

- **Outstanding Deeds of Sale**

Challenges

The following challenges are experienced in concluding the sale agreement with beneficiaries and transfers:

- ✓ the original beneficiary has passed away;
- ✓ the original beneficiary left Overstrand area and cannot be traced; and
- ✓ Lack of support from the Western Cape Department of Human Settlements regarding the transfer of 90 rental units in Zwelihle.

Way Forward

The Housing Department is still in process to finalise the outstanding sale agreements in cases where the original tenant(s) or beneficiary(ies) are no longer available.

7. Financial Implications

Subsidy funding in the amount of R782,384,00 was obtained from the Provincial Department of Human Settlements to cover the conveyancing cost of R2,000.00 per transfer, excluding Deeds office fees in the amount of R136.00 per transfer.

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Source of Funding eg. Capital/Operating Budget Provisions

Unique Key	: 20211125 072013
Cost Account	: 12900 201140000
Item Description	: Legal advice and litigation
Budget Provision 2020/2021	: R 782,384.00
Spent to Date/Committed	: R 0.00
Balance Available	: R 782,384.00
Funds Required (*This report)	: R 0.00

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Report: Transfer of properties up to December 2021.

RECOMMENDATION:

that the report in respect of transfers to beneficiaries of low-cost housing properties **be noted**.

RESPONSIBLE OFFICIAL : FW FRANS

TARGET DATE FOR IMPLEMENTATION : IN PROGRESS

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FW Frans

Senior Manager: Corporate Services

13 January 2022

(028) 313 8144

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
2 FEBRUARY 2022, WHICH COMMITTEE SUPPORTED THE RECOMMENDATION**

RESPONSIBLE OFFICIAL :

FW FRANS

TARGET DATE FOR IMPLEMENTATION :

IN PROGRESS

OVERSTRAND MUNICIPALITY**DEPARTMENT : HOUSING ADMINISTRATION****TRANSFER OF PROPERTIES UP TO 31 DECEMBER 2021**

NR	PROJECT NAME	TOTAL PROPERTIES	TITLE DEEDS	SALE AGREEMENTS COMPLETED	OUT=STANDING
1	PHASING OUT: GANSBAAI	185	173	9	3
2	PHASING OUT: HAWSTON	483	441	42	0
3	PHASING OUT: MT PLEASANT	184	176	8	0
4	PHASING OUT: STANFORD	78	76	4	0
5	PHASING OUT: ZWELIHLE	171	163	5	3
6	PHASING OUT: KLEINMOND	318	260	57	1
7	PHASING OUT: BETTYS BAY	12	3	9	0
8	PHASING OUT: HAWSTON SELFBOU	93	91	2	0
9	PHASING OUT: MT PLEASANT SELFBOU	127	116	11	0
10	PHASING OUT: STANFORD SELFBOU	68	64	5	0
11	PHASING OUT: GANSBAAI SELFBOU	49	46	3	0
				0	
	SUBTOTAL	1768	1609	152	7
12	RDP: BETTYS BAY 20	20	16	4	0
13	RDP: BETTY'S BAY 13	13	13	0	0
14	RDP: GANSBAAI 500	480	479	1	0
15	RDP: GANSBAAI 390	390	373	8	9
16	RDP: HAWSTON 182	182	172	10	0
17	RDP: HAWSTON 350	350	344	6	0
18	RDP: HAWSTON 378	378	312	65	1
19	RDP: KLEINMOND 200	201	201	0	0
20	RDP: KLEINMOND 410	410	375	35	0
21	RDP: MT PLEASANT 350	350	346	3	1
22	RDP: MT PLEASANT 220	220	218	2	0
23	RDP: MT PLEASANT 131	131	131	0	0
24	RDP: PEARLY BEACH 211	183	182	1	0
25	RDP: STANFORD 378 (BLOMTUIN)	378	378	0	0
26	RDP: STANFORD 88	88	81	7	0
27	RDP: ZWELIHLE 460	460	460	0	0
28	RDP: ZWELIHLE 1578	1543	1426	110	7
29	RDP: ZWELIHLE 283	221	171	45	5
30	RDP: ZWELIHLE (GARDEN SITE 58)	58	0	58	0
31	RDP: ZWELIHLE (ADMIN SITE)	39	0	39	0
32	RDP: ZWELIHLE (C2)	132	0	132	0
	SUBTOTAL	6227	5678	526	23
	TOTALS	7995	7287	678	30