

POLICY ON MUNICIPALITIES USING FUNDS FROM THEIR HOUSING OPERATING ACCOUNT FOR COMMUNITY FACILITIES

The following article is confirmation of a policy regarding municipalities using funds from their housing operating account for community facilities.

1. BACKGROUND

- 1.1 According to the National Housing Act 1997, Act 107 of 1997, a municipality must maintain a separate operating account and such money must be utilised by a municipality for housing development in accordance with the national and provincial housing policy, with the approval of the MEC after consultation with the PHDB.
- 1.2 The municipal housing operating fund cannot be utilised for the development of community facilities e.g. a swimming pool. It can, however, be used for the development of a site such as a green field project, for a maximum 500 houses in an area.
- 1.3 CMIP has allocated a budget of R11 for the 2000/2001 financial year for community facilities to all municipalities and regional councils of which R4 million has already been allocated to approved projects. These funds do not go into the municipal housing operating account but is 'ring-fenced' for community facilities. Any requests for community facilities funding must be forwarded to CMIP for the attention of Mr D. Batte.

2. RECOMMENDATION

- 2.1 That, the municipality maintains a separate housing operating account for housing development in accordance with the national and provincial housing policy.
- 2.2 That, any requests for community facilities funding must be forwarded to CMIP which has funds allocated for this purpose.