

THIRTEENTH

REPORT
FROM

THE PUBLIC ADMINISTRATION
AND APPROPRIATIONS
COMMITTEE

EXAMINATION
OF

the Management and Operations of the Housing
Development Corporation (HDC) including the
restructuring of HDC into three distinct State Enterprises.

Public Administration and Appropriations Committee

The Public Administration and Appropriations Committee (PAAC) is established by Standing Order 102 and 92 of the House of Representatives and the Senate respectively. The Committee is mandated to consider and report to Parliament on:

- (a) *the budgetary expenditure of Government agencies to ensure that expenditure is embarked upon in accordance with parliamentary approval;*
- (b) *the budgetary expenditure of Government agencies as it occurs and keeps Parliament informed of how the budget allocation is being implemented; and*
- (c) *the administration of Government agencies to determine hindrances to their efficiency and to make recommendations to the Government for improvement of public administration.*

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Mr. Randall Mitchell	Member
Mr. Symon de Nobriga, MP	Member
Mr. Wade Mark	Member
Mr. Laurence Hislop	Member
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Ms. Hema Bhagalloo	Assistant Secretary
Ms. Khisha Peterkin	Assistant Secretary
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Members of the Public Administration and Appropriations Committee



Mrs. Bridgid Mary Annisette-George, MP
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Dr. Lackram Bodoë, MP
Vice-Chairman



Mr. Wade Mark
Member



Ms. Amrita Deonarine
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Mrs. Ayanna Webster-Roy,
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Mr. Hassel Bacchus
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Mrs. Lisa Morris –Julian,
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Mr. Symon de Nobriga, MP
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Mr. Randall Mitchell
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Mr. Laurence Hislop
Member

EXECUTIVE SUMMARY

This Report of the Public Administrations and Appropriations Committee (PAAC) for the Twelfth Parliament contains the details of the examination into the Management and Operations of the Housing Development Corporation (HDC) including the restructuring of HDC into three distinct State Enterprises.

The Committee in undertaking this examination employed two (2) mechanisms:

- i. Written Submissions; and
- ii. Public Hearing.

The Committee requested written submissions from the HDC and thereafter focused on a review and analysis of the written submissions. Subsequently, the Committee conducted a Public Hearing with the HDC and its line Ministry, the Ministry of Housing and Urban Development (MHUD) on November 9, 2022. The approach adopted by the Committee took into account:

- i. Issues identified in the submissions received;
- ii. Statements made in the Budget 2022; and
- iii. Reports in the media.

The Committee made recommendations related to the issues identified. Observations and recommendations are presented in **Chapter 3**.

1. INTRODUCTION

THE COMMITTEE

The PAAC of the Twelfth Republican Parliament was established by the revised Standing Orders to:

- examine the current public expenditure, thereby capturing the full budget cycle by providing Parliamentary oversight of the implementation of the budget; and
- conduct a real-time examination of the expenditure of Ministries and Departments.

Change in Membership

1. In the Twelfth Parliament the Members of the Committee were appointed by resolutions of the House of Representatives and the Senate at sittings held on Friday November 9, 2020 and Tuesday November 17, 2020 respectively.
2. Senator Clarence Rambharat's seat in the Senate was declared vacant on March 16, 2022 as such he ceased to be a Member of the Committee.
3. Senator Yokymma Bethelmy's seat in the Senate was declared vacant on March 16, 2022 as such she ceased to be a Member of the Committee.
4. By resolution of the House of Representatives at a sitting held on June 13, 2022, Mr. Symon de Nobriga, MP was appointed a Member of the Committee in lieu of Mr. Stephen Mc Clashie, MP.
5. By resolution of the Senate at a sitting held on June 14, 2022, Senator Laurence Hislop was appointed a Member of the Committee in lieu of Senator Yokymma Bethelmy and Senator Randall Mitchell in lieu of Senator Clarence Rambharat.

Chairman & Vice-Chairman

By virtue of S.O. 109(6) and 99(6) of the House of Representatives and the Senate respectively, the Chairman of the Committee is the Speaker and at its First Meeting held on November 25, 2020, Dr. Lackram Bodoie was elected as the Vice-Chairman.

Quorum

Additionally, in order to exercise the powers granted to it by the House, the Committee was required by the Standing Orders to have a quorum. A quorum of three (3) Members, inclusive of the Chairman or Vice-Chairman, with representatives from both Houses, was agreed to by the Committee at its First Meeting.

2. METHODOLOGY

Determination of the Committee's Work Programme

At an in-camera meeting of the Committee held on Wednesday, November 2, 2022, the Committee agreed to conduct an inquiry into the Management and Operations of the Housing Development Corporation (HDC) including the restructuring of HDC into three distinct State Enterprises.

Review of Documents

The Committee deliberated on the following, namely:

- i. Written Submissions;
- ii. Budget Documents; and
- iii. Media Reports.

The Inquiry Process

The Inquiry Process outlines steps to be taken by the Committee when conducting an inquiry into an entity or issue. The following steps outline the Inquiry process followed by the PAAC for its inquiry into the Management and Operations of the Housing Development Corporation (HDC) including the restructuring of HDC into three distinct State Enterprises.

- i. Identification of the entity to be examined;
- ii. Preparation of Inquiry Proposal;
- iii. Request for written responses were sent to the HDC on **May 05, 2022**. Responses were received on **May 27, 2021**.
- iv. Preparation of an Issues Paper which identified and summarised matters of concern in the responses provided;
- v. Based on the recommendations and the issues identified, the Committee agreed to have a Public Hearing. The relevant witnesses were invited to attend and provide evidence on **November 02, 2022**;
- vi. Following the Public Hearing, a request for further details was sent to the HDC on **November 16, 2022**, and the responses were received on **December 01, 2022**;

- vii. Report on the Committee's findings and recommendations to Parliament upon conclusion of the inquiry;
- viii. Request for Ministerial Responses.
- ix. Review responses; and
- x. Engage in follow-up.

3. ISSUES, OBSERVATIONS AND RECOMMENDATIONS

1. Allocation Process

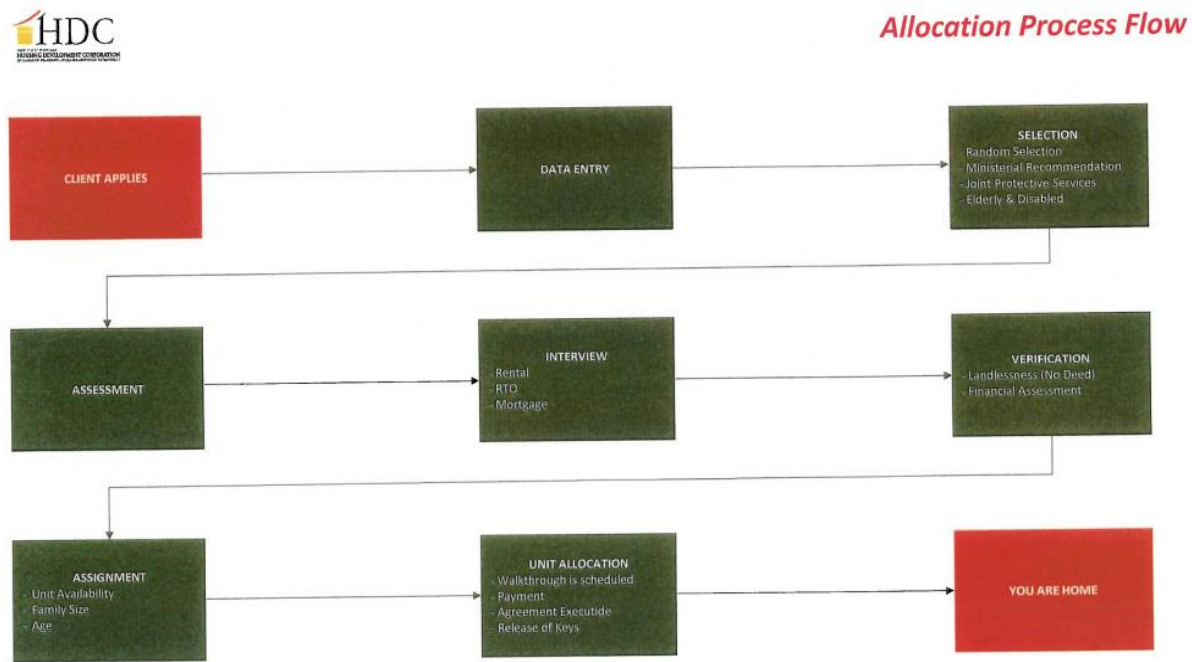


Figure 1: Allocation Process Flow

The Committee was informed via written submission that the allocation of homes was based on the applicant's financial assessment and the availability of housing. Based on the overall assessment the applicant will be allocated either a:

Rental – For clients who qualify for a rental unit, assignment was based on the following: -

- a. Income and financial assessment;
- b. Family size; and
- c. Area of preference.

Mortgage – Clients who meet the criteria for purchasing units are required to complete the process within ninety (90) days of the execution of the sale agreement. Final payment must be made before the keys for the unit are issued.

Rent-to-Own – eligibility criteria – RTO installment is calculated based on factors determined by the HDC multiplied by the difference between what the customer qualified for and the cost of the property, where the difference must not exceed \$100,000.00.

Selection Process

The HDC utilises a system of random selection as well as the following criteria:

- Ministerial Recommendation;
- Joint Protective Services; and
- Elderly and Disabled.

At the public hearing, the HDC explained that the allocation process was guided by the Cabinet Minute #2730 dated September 25, 2008 that governs the allocation of homes. The Cabinet Minute states that 60% for distribution are allocated based on random selection, 10% for the joint protective services, 5% for the elderly and disabled and 25% from ministerial recommendations. The HDC further informed the Committee that the random selection was conducted by the MHUD.

Observation:

- ***The Committee notes the policy as per Cabinet Minute #2730 dated September 25, 2008 regarding the allocation process utilised by the HDC.***

Recommendations:

- ***The MHUD should conduct an assessment on the transparency and effectiveness of the allocation process used. The assessment should elaborate on the methodologies used to derive 60% random selection, 10% joint protective services, 5% elderly and disabled and 25% ministerial recommendations. The MHUD should submit the findings to Parliament by September 29, 2023; and***
- ***To alleviate the public's lack of confidence in the selection process used by the HDC, the MHUD should retain an independent auditor to assess the transparency of said process. The MHUD should report to Parliament by September 29, 2023 on its progress to assign an independent auditor inclusive of other measures to improve the transparency of the allocation process.***

2. Outstanding Arrears

i. Arrears Owed to Contractors

The HDC was late in its payments to contractors, accumulating a debt of \$1.3 billion as at July 2022.

There were one thousand six hundred and ninety six (1696) contractors registered with the HDC. Written submissions received indicated that as at September 30, 2022, the HDC's debt to contractors was in the sum of TT\$818,704,497.00. As at April 30, 2022, the HDC total debt was in the sum of \$1,017,975,495. The Committee questioned the timeframe for the payment of debt. Officials from HDC indicated that the payment of debt was dependent on:

- the receipt of funding from the Government; and
- financing and the sale of housing units.

Additionally, officials stated that payments would be made based on the maturity of the debt. In an article published in the Trinidad and Tobago Guardian Newspaper on July 20, 2022¹, the Minister of Housing and Urban Development stated that "HDC was tardy in its payments and contractors were upset". The Minister blamed the HDC's overall debt partly on errant tenants in particular those who live in rent-to-own, licence to occupy and rental units.

ii. Arrears owed to HDC by tenants

Given the clarification that the debt owed by tenants was not accumulated, it was believed that the subsidies coupled with the aim to build and price units closer to its construction cost, would begin closing the gap between the construction cost and the selling price of a housing unit.

In an article from the Guardian Newspaper dated July 20, 2021 cited above, the HDC stated that tenants of new properties owed the Corporation approximately \$22 million. The HDC indicated that these tenants live in communities such as the Lion's Gate Enterprise, Chaguanas, Real Spring Valsayn South and the Vieux Fort, St James.

¹ Trinidad and Tobago Guardian. Minister 'partly' blames HDC's \$1b debt to contractors on errant tenants. Accessed on January 23, 2023: <https://www.guardian.co.tt/news/minister-partly-blames-hdcs-1b-debt-to-contractors-on-errant-tenants-6.2.1522103.b1e8efdab8>

Overall, delinquent tenants owed the HDC approximately \$151 million as at July 2022. The sum of debt owed for each year over the period 2016 to 2021 were²:

- 2021 - \$143 million;
- 2020 - \$139 million;
- 2019 - \$103 million;
- 2018 -..\$160 million approx;
- 2017 - \$157 million; and
- 2016 - \$159 million.

The Managing Director of the HDC explained that this debt was a running debt and not an accumulated debt. As such, as at July 2022, the debt owed to HDC was \$151 million. The Committee learnt that the debt owed by tenants was negatively impacting the payment to contractors, the renovation of units and the expansion of the Accelerated Housing Programme. At the public hearing held on November 02, 2022, the Committee questioned the HDC's strategy to resolve or settle debts given that, subsequent to the Public Hearing, the arrears climbed to \$157,000,000.

The Minister of Finance in the Budget 2023³ stated the following:

“We are providing in 2023 significant financial resources to the HDC to refocus on its mandate to construct affordable housing units. We are arranging three (3) Government-Guaranteed Loans totalling, \$1.5 billion: of which \$500 million will fund the completion of stalled or existing housing projects; another \$500 million will be used for the payments of debts owed to contractors and suppliers and a further \$500 million will be used for the construction of new housing units.”

As a result, officials of the HDC provided three strategies that will be undertaken to settle its outstanding debt:

³ Ministry of Finance website, *Budget Statement 2023*. Accessed on January 27, 2023: <chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.finance.gov.tt/wp-content/uploads/2022/09/Budget-Statement-2023-E-Version.pdf>

- i. Encourage clients to meet their commitments, which could include evictions. The HDC stated that a special taskforce would be assembled to deal with delinquent tenants. The task force would embark on a campaign beginning in April to get delinquent tenants to pay their arrears. The HDC further stated that this would start with a virtual meeting with Oasis Greens, where some renters and rent-to-own tenants owe \$3.4 million⁴;
- ii. Utilise the allocation from the Ministry of Finance to complete the under two thousand (2000) units in various stages of completion. The completed units will then be sold to increase cashflow and settle its outstanding debts.; or
- iii. Utilise the \$500 million allocated by the Ministry of Finance to settle the outstanding debts.

The Chairman of the HDC expressed confidence that one of the three strategies will be sufficient in dealing with this burden.

Observation:

- ***The Committee noted the strategies proposed by the HDC to recover and pay its outstanding debt.***

Recommendations:

- ***The HDC should submit a status of it's indebtedness to contractors including a breakdown of payments made and the amounts outstanding per contractor;***
- ***The HDC should submit a status update to Parliament by September 29, 2023 on the following:***
 - i. ***The steps being considered and/or taken by the HDC to recover arrears;***
and
 - ii. ***the application to its debt including the establishment of the Special Taskforce to treat with delinquent tenants.***
- ***The HDC should provide a status update (as at June 2023) on:***
 - i. ***the amount of arrears collected from delinquent tenants; and***
 - ii. ***the arrears still outstanding from tenants including the age of the outstanding balances.***

⁴ Trinidad and Tobago Guardian article, *Delinquent tenants now owe HDC \$157m*. Accessed on May 3, 2023: [Delinquent tenants now owe HDC \\$157m - Trinidad Guardian](#)

3. Restructuring of the HDC

The Minister of Finance in the 2023 budget statement⁵ underscored the plans of the Government to restructure the HDC, into a holding company and three subsidiaries.

The HDC in its response to the Committee indicated that with this restructure, it intends to ultimately increase shareholder value and the delivery of services to the population. The objectives of the new structure are:

- i. Reshaping the Business;
- ii. Reversing Deteriorated Financial Performance;
- iii. Enhancing Capital Value; and
- iv. Growth Improvement.

At the Public Hearing held on November 02, 2022, the Committee sought further details on the proposed restructuring exercise. The HDC stated that the preliminary work was completed whereby the companies were registered and the HDC was in the process of appointing the Boards and recruiting staff. The Committee inquired into the cost to complete this exercise, the Chairman of the HDC indicated that the company was working with Pricewaterhouse Coopers to determine the cost of the restructuring exercise and will be able to provide a definitive sum in 3 - 4 weeks. In a request for additional information the Corporation indicated that as December 2022 a total of \$1,479,800.00 was spent on the restructuring exercise

The Committee questioned whether the restructuring exercise would assist in improving the financial performance of the Corporation. The Chairman indicated that the three companies would be laser-focused on their respective responsibilities as follows:

- *“the Facilities Company, through a combination of the management companies and the collection of rents, will allow the HDC to have a balance between its expenditure and income.*
- *The HDC was in preliminary discussions with the Ministry of Rural Development and Local Government (MRDLG) to take some of the responsibilities that the HDC currently bears, such as the cleaning of drains, the collection of garbage and the cutting of grass in public areas. A cost, which was substantial, if those responsibilities were to be handed over to where they rightly should*

⁵ Ministry of Finance website, *Budget Statement 2023*. Accessed on May 3, 2023: [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.finance.gov.tt/wp-content/uploads/2022/09/Budget-Statement-2023-E-Version.pdf](https://www.finance.gov.tt/wp-content/uploads/2022/09/Budget-Statement-2023-E-Version.pdf)

be, that is to the regional corporations, it would significantly reduce the burden that HDC now carries for the maintenance of these properties.

- *In respect to the Construction Company, because we are going to be driven in the sense of project management and project implementation, we are going to ensure that what we build is within budget and that what we build is sufficient when we sell to meet a substantial portion of that company's expenditure and with the new pricing policy, the subsidies would kick in, so at least we have a balanced budget.*
- *In respect of the Asset Management Company, we expect to have a slight surplus because some of the works that are now outsourced would be done internally, such as the preparation of deeds and various contracts. So the restructuring is supposed to relieve the HDC, as it is now, from that continuing financial deterioration as we put it."*

Based on the aforementioned, the Committee questioned the level of savings that the HDC foresees in light of the restructure. The Chairman stated that at the time of the hearing the HDC incurred an expense of \$12 million per month for the cutting of grass, cleaning of drains and collecting of garbage at its developments. This restructuring will allow for the savings of \$44 million per year because these services would then be provided by the MRDLG. Additional information stated that the HDC anticipated a 15% reduction in recurrent expenditure each year.

Recommendations:

- ***The HDC should submit a status update to the Parliament by September 29, 2023 on the following:***
 - i. The cost of the restructure to date;*
 - ii. The final cost as determined by Pricewaterhouse Coopers; and*
 - iii. The status of the restructuring exercise to date;*
- ***The HDC should also submit a status on the discussions with the MRDLG on the transfer of responsibilities from the HDC to the respective Regional Corporations regarding the cleaning of drains, collection of garbage and cutting of grass including the category and the number of Corporation workers that will be cleaning the drains, cutting the grass; and***
- ***The MRDLG should submit to Parliament by September 29, 2023 the cost per year of this additional portfolio.***

4. Status of the Housing Construction Incentive Programme and the Public Private Partnership Programme

In an attempt to resolve the issue of the low supply of housing units in relation to the high demand, the HDC created the Housing Construction Incentive Programme (HCIP). At the public hearing, the HDC indicated that it cannot be expected to provide housing for all its applicants. However, the HCIP is intended to stimulate private construction in the housing sector by encouraging private developers to construct housing units to satisfy the present demand for housing. The Committee sought a status update on this programme as well as the number of participants. The HDC stated that a total of 134 packages were sold resulting in 38 packages deposited and 38 contractors registering under the programme. Of the 38 contractors registered, two (2) contractors were retained to execute work on State Lands and one (1) contractor was executing work on private land. The total number of units constructed under the HCIP thus far was 55 units. Given the inception of the programme in 2017, and the low participation by private sector, the Committee questioned whether the programme was properly advertised or there was low interest by the private sector. The HDC admitted that there was low interest in the programme despite its advertising.

Regarding the PPP Programme, officials indicated that this programme also referred to as the “design/build/finance programme” which was set up whereby a contractor would be engaged to design, construct and finance the project during the construction phase. After the construction phase, the contractor can either hand over units to the HDC in sections or entirely. Only at the end of construction where units are habitable, the contractor would be paid. Contractors are paid through the following options:

- i. Through remittances via the conversion of the house through a mortgage with the mortgagee; or
- ii. If the first option does not happen within a two-month period, the HDC pays the contractor and receives the remittances from the mortgage process.

As at the time of the hearing the number of projects undertaken under the design/build/finance approach would have been 20 packages or 20 contracts which had a yield of 945 units. Out of the 945 units, the HDC would have completed and handed over in terms of delivery, 352 units while 542 units were still under construction.

Recommendations:

- *The HDC should provide a status update on the completion and delivery of the remaining 542 units to Parliament by September 29, 2023;*
- *In order to improve the transparency of achieving the objectives and evaluating the progress of these programmes the HDC should report to Parliament by September 29, 2023 on the following:*
 - i. The identification of matrices/indices to evaluate the impact of housing demand on the construction of new homes;*
 - ii. an examination of the private sector participation in the HCIP and devise strategies to use this financing more innovately to increase housing supply and home ownership;*
 - iii. explore whether new strategies can be devised to increase the quantum of houses which can be constructed under the existing circumstances and environment.*
- *Given one of the objectives of the HCIP is intended to stimulate private construction in the housing sector by encouraging private developers to construct housing units to satisfy the present demand for housing, the HDC should provide a status update on mechanisms to increase the number of contractors retained to construct houses on State Lands and private land to parliament by September 29, 2023.*

5. Payment of Tenants' Water and Electricity Bills by the HDC

The sum owed to the Trinidad and Tobago Electricity Commission (T&TEC) for tenants in traditional rental properties has been subsidised by the HDC.

During the Committee's questioning, it was disclosed that the HDC pays the electricity bill of the tenants of its traditional rental properties that are unable/refuse to pay. These traditional rental properties are located in the Port of Spain area where rental payments are \$100.00 per month, as well as the pension quarters. The Committee questioned the cost incurred annually. The HDC stated that the cost was approximately \$10,000. Regarding the eligibility to access this provision, officials indicated that there was no eligibility criteria, the liability arose as a result

of the failure of tenants to transfer the utility bills into their names after entering into occupation of the rental units.

The HDC further stated that they were currently reviewing the exercise in an effort to remove the provision by the HDC. The review was conducted in an effort to reduce the HDC's recurrent expenditure. The HDC explained that one of its biggest challenges was the reluctance or refusal by tenants to complete the transfer for the utility bills into their own names. As at December 2022, there were 12 tenants who benefitted from this provision.

Recommendation:

- ***The HDC should prioritise the transfer of traditional rentals into the names of the tenants currently occupying units and institute sanctions for the tenants' failure to do so. A timeline for the start and completion of the transfer, inclusive of any progress made thus far should be submitted to Parliament by September 29, 2023.***

6. Unauthorised subletting by tenants

There have been a number of reports of tenants of HDC units subsequently subletting the units becoming "tenant landlords". Based on these reports, the Committee questioned the measures in place to treat with such. Officials informed the Committee that a Rental Verification Exercise was being conducted. The lease and rental arrangement agreement with tenants was also updated. The HDC further explained that once an illegal arrangement was identified and an occupier of the HDC property was paying rent to a third party, the HDC:

- i. assessed the occupier and took active steps to either regularise that occupier; or
- ii. evicted the occupier based on the conditions that surround the occupation and based on whether or not the occupier was deemed "a good tenant" i.e. if there were instances where the occupier was creating a nuisance or otherwise disturbing the peace, then the HDC will take action to evict that occupier, also terminating the relationship between the HDC and the lawful tenant who was not in occupation.

The Committee questioned whether the HDC considered the provision of three (3) year leases which allows tenants to be assessed every three (3) years to determine eligibility. Officials stated

that the terms of the rental agreement the HDC offers was for a three (3) year period or shorter however this was a new initiative. Therefore, while the new agreements were being implemented the HDC was moving backwards to address situations where tenancy arrangements were not renewed when contacted previously by the HDC to do so.

Recommendations:

- ***The HDC should submit a status update to Parliament by September 29, 2023 on:***
 - ***The modifications to the Rental Verification process that became necessary upon conducting the Rental Verification Exercise;***
 - ***the Rental Verification Exercise findings; and***
 - ***the rental agreement initiative implemented.***

7. Challenges faced by the HDC

The HDC has been plagued with various challenges in the midst of the execution of its mandate.

In the written response received, the following challenges were highlighted as at May 2022:

- | | |
|----------------------------------|---------------------------------|
| i. Financial | vi. Squatters |
| ii. Inflationary Pressures | vii. Illegal Subletting |
| iii. Supply Chain Issues | viii. Security |
| iv. Utilities Service Connection | ix. Regulatory Authorities; and |
| v. Law Acquisition and vesting | x. COVID-19 |

The HDC also stated that the following challenges were experienced specifically with the distribution of homes:

Mortgage

- i. COVID-19 Pandemic;
- ii. Late delivery by contractors;
- iii. Remedial works – Defective Units preventing the timely release of keys to clients;
- iv. HDC financially challenged to make payments to Capital Contributions;
- v. Timely approvals from state agencies;

- vi. Assessed customers unable to qualify due to changes in their personal circumstances causing insufficient debt service ratio and so delays the mortgage process;
- vii. Defects identified during the customer inspection;
- viii. Inability for timely transfer of title; and
- ix. Clients inability to pay legal and transfer fees.

Rental

- x. Low acceptance of current rental stock; and
- xi. Location Challenges

HDC admitted that these challenges were further exacerbated as a result of the COVID-19 Pandemic. HDC addressed the challenges below in the following ways:

1. Late delivery by contractors:

- a) Contractor written on poor performance and Rate of Progress;
- b) Contractor's Performance Evaluation Final Rank: Schedule Rating will be adjusted to reflect any delays; and
- c) Employer's Claims for Delayed Damages may be issued, due to failure of the Contractor to complete the works as per the contract completion date.

2. Assessed customers unable to qualify due to changes in their personal circumstances, causing insufficient debt service ratio and delays in the mortgage process;

Customers unable to complete the purchase of a unit

- (a) can be offered a rent-to-own arrangement if their qualifying income is \$100k below the alternative financing arrangement;
- (b) were allowed to join a co-applicant; and
- (c) their names were submitted to the pool of applications for random selection on another occasion.

3. Defects identified during the customer inspection;

- a) Defects identified through customer inspections, which are within the Defects Notification Period (DNP) or considered latent defects are directed to the Contractor for remedy. Defects that are either (i) outside the DNP, or (ii) within the DNP but not within the Contractor's scope of works or (iii) which otherwise affect the closure of mortgages (as directed by the Constuction Management and Operations (CMO) Division Manager) the CMO Remediation Unit will remedy.

4. Low acceptance of current rental stock;

- a) Depending on the reason HDC may collaborate with National Security to enhance security in communities;
- b) Upgrade units through remedial works; and
- c) Increase its pool of rental properties

5. Location challenges.

- a) Names are resubmitted into the pool for random selection on a later date.

The Committee enquired into the lessons learnt arising from the challenges encountered during the distribution of homes. The following lessons learnt were stated:

- Closer Monitoring of contractors was required;
- The need for pre-qualification of potential purchasers;
- Reduce the time between completion and sale of units; and
- Houses for sale and rental are to be constructed in preferred locations.

Observation:

- ***The Committee notes the challenges faced and the lessons learnt.***

Recommendations:

- ***The HDC should determine the necessary actions that will address the challenges that were not highlighted, to improve its efficiency and fulfil its mandate, and***

submit a copy of the actions to be taken to Parliament by September 29, 2023; and

- *The HDC should also submit a report to Parliament by September 29, 2023 on the monitoring mechanisms for contractors that will be introduced and identify the standards to be met.*

8. Inadequate Internal Audit Unit

As at May 2022, there were ten (10) positions on the HDC's establishment:

- a) One (1) Senior Manager, Internal Audit
- b) Two (2) Senior Internal Auditors
- c) Six (6) Internal Auditors; and
- d) One (1) Administrative Assistant

However, the HDC indicated that there was only five (5) persons performing the auditing function. These positions were as follows:

- a) One (1) Senior Manager, Internal Audit;
- b) One (1) Senior Internal Auditor; and
- c) Three (3) Internal Auditors;

The Committee questioned whether the existing staff was sufficient to effectively carry out the auditing function of the HDC. The HDC indicated that the Unit was not adequately staffed and a proposal was before the Board to increase manpower and to acquire the relevant audit software. At the public hearing held, the Committee sought an update on the filling of these vacancies. Officials indicated that the organisational structure was recently reviewed and the number of positions were increased significantly. As a result, the new structure for the Unit would now include:

- a) Twelve (12) Internal Auditors;
- b) Two (2) Senior Internal Auditors;
- c) One (1) Senior Manager, Internal Audit; and
- d) One (1) Head of Department.

At the time of the hearing, the HDC was in the process of recruiting more auditors. Officials stated that an advertisement was to be published that week to recruit three (3) new persons for the Internal Auditing Department. Notwithstanding the pending recruitment of persons for the Internal Audit Department, the Committee queried the functionality of the the current staff complement given the Unit's inefficiency. Officials agreed that the current staff was not sufficient to carry out HDC's audit functions moving forward and the pending recruitment will improve this.

Recommendations:

- ***The HDC should submit to Parliament by September 29, 2023 a status update on the recruitment of the additional Internal Auditing staff, including the improvements made to its internal audit work plan since the additional staff was hired including the impact on the Department's efficiency and effectiveness; and***
- ***The HDC should prioritise the acquisition of the relevant audit software training for its staff and submit an update to Parliament on the timeline for this training by September 29, 2023.***

9. The status of the Audited Financial Statements

As at November 02, 2022, the HDC's audited financial statements for the years 2015 to 2022 remained outstanding. The Committee sought an update on the completion of the HDC's Audited Financial Statements. Written response indicated the the following for the financial years:

- i. 2010 – 2014 - completed;
- ii. 2015 -2016 - completed up to final draft and awaiting sign off by Audit Partner;
- iii. 2017 – Awaiting confirmation letters;
- iv. 2018 -2022 – HDC was awaiting the approval of the Auditor General to award a contract for External Audit services. In the interim schedules were being completed to expedite the audit.

The reasons for the non-submission of the financials were as a result of the following:

- a) There was an administrative error for the financial years 2010 - 2014;

- b) For the fiscal periods 2015 - 2022, the HDC experienced loss of data due to fire, flood and software issues that delayed the audits in the earlier period. HDC indicated that this audit period relied heavily on brought forward balances.
- c) HDC prepared its accounts on a Cash Accounting Basis rather than on an Accrual Basis. This resulted in the following:
 - i. The finance staff was unable to address the volume of work;
 - ii. Deficient accounting leadership and high staff turnover;
 - iii. The staff complement needed to be increased; and
 - iv. Training of staff in the software.

Recommendations:

- ***The HDC should submit a status report to Parliament by September 29, 2023 on the following:***
 - i. A timeline for the submission and completion of the Audited Statements;***
 - ii. The Auditor General's approval for the award of a contract for External Auditor services; and***
 - iii. The detailed actions taken to address the reasons for the non-submission of the financial statements as stated above.***

10. Untimely Release of funds

One of the challenges highlighted by the HDC was the untimely release of funds. Officials from the MHUD indicated that when bills were received from the HDC, the MHUD will conduct a comprehensive audit of the bills. The bills thereafter will be sent to the Ministry of Finance for approval. The MHUD indicated there was continuous communication with the Ministry of Finance to ensure the facilitation of payments. The Committee questioned the time gap between the request for releases and the actual release to HDC. The MHUD indicated that this was dependent on the number of bills submitted by the HDC. A request for the release of funds will take on average three (3) days to seven (7) days (one (1) week) to fulfill. This was also dependent on the quantum of the request.

Observation:

- ***The Committee notes the untimely release of funding to the HDC.***

Recommendation:

- ***The HDC should submit a status update to Parliament by September 29, 2023 on the steps to be taken to improve the timeliness of releases.***

11. Demand and Supply of Housing

As at October 2022 there were 195,804 customers on HDC's applicant database.

The HDC provided clarification that a customer's age and income determine the type of and the location of the unit for which an applicant would qualify. The applicant's preference was also taken into account. For example, a customer who applied for a single family unit ten (10) years ago but due to a change in income or an increase in age, that customer may no longer qualify for that unit. Also, at the time of the application the customer may have applied for an apartment but now due to marriage or additional children a single family unit would be more suitable but the HDC does not have those units available, which was where the issues arose. The HDC made it clear that the company was guided by the Cabinet Minute and everything was based on availability and the assessment of the customers.

The HDC revealed that the demand was approximately 196,000 customers who were still awaiting the allocation of a unit. The Committee learnt that the demand was high but the HDC had a finite amount of land. Therefore, whenever state land was available the HDC will seek to build. The HDC also considers where demand for units was the highest. The HDC indicated that the reasons for the unmet demand for housing were:

- i. Resource constraints – available lands to the HDC especially with low infrastructure cost;
- ii. Cost of capital to (take out) mortgages by the institution;
- iii. HDC's current structure and inability to raise its own finances; and
- iv. Supply chain issues

Recommendations:

- ***The HDC should provide a status to Parliament by September 29, 2023 on the strategies that will be taken to address the reasons for its unmet demands and rising supply; and***

- *The HDC should provide a detailed outline to Parliament by September 29, 2023 on how the restructuring exercise will alleviate the causes of the rising unmet demand for housing stock.*

12. HDC's Pricing Policy

Affordability was the main pillar of the HDC's Housing Policy since 2002.

The HDC constructs units in accordance with bands received from the Housing Construction Incentive Programme's (HCIP) database. These bands were as follows:

- i. The first band was in the vicinity of \$250,000. These units would be covered under the small and medium contractors' initiative at its lower tier.
- ii. The second band would be for affordable houses or affordable homes which are valued between \$350,000 to \$500,000. This band will straddle between the small and medium contractors and the Accelerated Housing Programme.
- iii. The third category would be middle-income homes between \$650,000 to \$900,000. The majority of these homes would be done under HDC's Accelerated Housing Programme.
- iv. The last band of homes targets the young professionals with values between \$900,000 to about \$1.2 million. Construction in this band would be met by our design/build/finance programme within the HCIP database and through the execution of these houses through these different programmes.

At the public hearing the Committee was informed that the existing pricing policy for units was based on a ratio of 40% of the overall value being borne by the Government and 60% of the value being the purchase price to the applicant. The Committee queried whether having regard to inflation, there was need for an increased subsidisation by the Government of construction costs. Officials explained that factors including inflationary pressures and supply chain issues have distorted the pricing policy ration of 40%/60%. Consequently, the Board of HDC has considered a reformulation of the pricing policy to be proposed to the Cabinet for approval. Additionally, aimed at keeping the prices of units low, HDC has engaged in discussions with its internal construction department and its external contractors to reduce the level of finishes and furnishes offered. The HDC plans to return to what was offered in previous years when HDC provided a very basic unit which allowed owners as time passed to outfit in manner in which they desired. It was envisioned that this latter strategy will result in significant cost reductions.

Recommendations:

- *The MHUD should submit a update to Parliament by September 29, 2023, on Cabinet's approval of the revised pricing policy and when the implementation of the policy will take effect.*
- *The HDC should submit to Parliament by September 29, 2023 a detailed report on the impact of the new pricing policy on all stakeholders and the new company in the long-term given the restructuring exercise.*

CONCLUSION

The mandate of the HDC is enshrined in Section 13 (1) of the Trinidad and Toabgo HDC Act No. 24 which partly states doing all things necessary and convenient for or in connection with the provision of affordable shelter and associated community facilities for low and middle income persons. From the Committee's deliberations the HDC has been working towards fulfilling its mandate, however, a number of recent challenges has hindered its progress.

During the Third Session of the Twelfth Parliament, the PAAC conducted an examination into the management and operations of the HDC including the restructuring of HDC into three distinct State Enterprises. Several issues such as the allocation process, outstanding arrears, illegal occupiers, restructuring exercise and coverage of utility bills, internal audit, pricing policy, unmet demand for housing were highlighted and recommendations proposed to address these issues.

The Committee is of the view that the adoption of its proposed recommendations will assist the HDC in some of the challenges experienced and improve the efficiency of its operations. Moreover, the Committee intends to monitor the progress made in the implementation of the recommendations proposed in this Report.

This Committee respectfully submits this Report for the consideration of the Parliament.

Sgd.
Mrs. Bridgid Mary Annisette-George
Chairman

Sgd.
Dr. Lackram Bodoë
Vice-Chairman

Sgd.
Mrs. Ayanna Webster-Roy
Member

Sgd.
Ms. Amrita Deonarine
Member

Sgd.
Mr. Hassel Bacchus
Member

Sgd.
Mr. Wade Mark
Member

Sgd.
Mr. Symon de Nobriga
Member

Sgd.
Mrs. Lisa Morris-Julian
Member

Sgd.
Mr. Randall Mitchell
Member

Sgd.
Mr. Laurence Hislop
Member

APPENDIX I

The Inquiry Process

The Inquiry Process

The Inquiry Process outlines steps to be taken by the Committee when conducting an inquiry into an entity or issue. The following steps outline the Inquiry process followed by the PAAC:

1. Identification of entity to be examined;
2. Preparation of Inquiry Proposal for the selected entity. The Inquiry Proposal outlines:
 - Description
 - Background;
 - Overview of Expenditure
 - Rationale/Objective of Inquiry; and
 - Proposed Questions.
3. Consideration and approval of Inquiry Proposals by the Committee and when approved, questions are forwarded to the entity for written responses;
4. Issue of requests for written comment from the public are made via Parliament's website, social media accounts, newspaper and advertisements;
5. Preparation of an Issues Paper by the Secretariat for the Committee's consideration, based on written responses received from the entities. The Issues Paper identifies and summarises any matters of concern in the responses provided by the entity or received from stakeholders and the general public;
6. Review of the responses provided and the Issues Paper by the Committee;
7. Conduct of a site visit to obtain a first-hand perspective of the implementation of a project (optional);
8. Determination of the need for a Public Hearing based on the analysis of written submissions and the site visit (if required). If there is need for a public hearing, the relevant witnesses will be invited to attend and provide evidence. There is usually no need to examine the entity in public if the Committee believes the issues have little public interest or the Committee believes that the written responses provided are sufficient and no further explanation is necessary.
9. Issue of written request to the entity for further details should the Committee require any additional information after the public hearing.

10. Report Committee's findings and recommendations to Parliament upon conclusion of the inquiry.
11. Engage in follow-up.

APPENDIX II

Minutes of Meetings

**THE PUBLIC ADMINISTRATION AND APPROPRIATIONS COMMITTEE
THIRD SESSION, TWELFTH PARLIAMENT
MINUTES OF THE ELEVENTH MEETING HELD VIRTUALLY ON
WEDNESDAY NOVEMBER 2, 2022 AT 1:38 P.M.**

Present were:

Mrs. Bridgid Mary Annisette-George	-	Chairman
Dr. Lackram Bodoë	-	Vice-Chairman
Mr. Wade Mark	-	Member
Mr. Laurence Hislop	-	Member
Mr. Randall Mitchell	-	Member
Ms. Amrita Deonarine	-	Member
Mrs. Lisa Morris-Julian	-	Member
Ms. Keiba Jacob	-	Secretary
Ms. Hema Bhagaloo	-	Assistant Secretary
Ms. Khisha Peterkin	-	Assistant Secretary
Ms. Rachel Nunes	-	Graduate Research Assistant
Mr. Darien Buckmire	-	Graduate Research Assistant

Excused was:

Mrs. Ayanna Webster-Roy	-	Member
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Absent were:

Mr. Symon de Norbriga	-	Member
Mr. Hassel Bacchus	-	Member

COMMENCEMENT

- 1.1 At 1:38 p.m., the Chairman called the meeting to order and welcomed those present.

INTRODUCTION OF THE NEW COMMITTEE MEMBERS

- 2.1 The Chairman announced the following:
- i. Mr. Symon De Nobriga replaced Mr. Stephen Mc Clashie with effect from June 13, 2022; and
 - ii. Mr. Laurence Hislop replaced Ms. Yokymma Bethelmy and Mr. Randall Mitchell replaced Mr. Clarence Rambharat with effect from June 14, 2022.

- 2.2 The Chairman welcomed the new Members to the Committee and thanked the former Members for their service.

EXAMINATION OF THE MINUTES OF THE TENTH MEETING

- 3.1 The Committee examined the Minutes of the Tenth (10th) Meeting held on May 11, 2022.
- 3.2 There being no omissions or corrections, the Minutes were then confirmed on a motion moved by Ms. Amrita Deonarine and seconded by Mrs. Lisa Morris-Julian.

MATTERS ARISING FROM THE MINUTES OF THE TENTH MEETING

- 4.1 With reference to item 9.2, page 5: the Chairman informed Members that questions for additional information were sent to the Ministry of Health on May 17, 2022 with a deadline of June 1, 2022 for submission. The responses were received on August 5, 2022 and uploaded to the Rotunda for Members consideration.

CONSIDERATION OF WORK PROGRAMME FOR THE THIRD SESSION. TWELFTH PARLIAMENT

- 5.1 The Chairman invited Members to review the draft Work Programme for the Third Session, Twelfth Parliament that was uploaded to the Rotunda (e-repository) for Members consideration. A discussion ensued.
- 5.2 The Committee agreed to the following inquiries for the Third Session, Twelfth Parliament:
- i. The examination of the management and operations of the Housing Development Corporation (HDC) including the restructuring of HDC into three distinct State Enterprises. (aligned with Sustainable Development Goal 11);
 - ii. An examination into food security in Trinidad and Tobago. (aligned with Sustainable Development Goals 1,2, 3 and 12);
 - iii. An examination into the management and operations of Secondary Road and Rehabilitation Company Limited (aligned with Sustainable Development Goal 9 and 11);
 - iv. An assessment of the effects of the rising gas prices to the poor and vulnerable. (aligned with Sustainable Development Goal 1);
 - v. An examination into flood mitigation in Trinidad and Tobago (aligned with Sustainable Development Goal 11);
 - vi. An examination into the Work from Home policy (aligned with Sustainable Development Goal 8); and
 - vii. An inquiry into the Trade and Investment Promotion Agency under the Ministry of trade and Industry be include as a topic on the work programme.

Follow-up

- viii. The Processing for the Payment of Pension and Gratuity to Retired Public Officers and Contracted Employees; and
- ix. The maintenance of community pools and sporting facilities. (Possible Site Visit).

CONSIDERATION OF COMMITTEE DRAFT REPORTS

- 6.1 The Chairman invited Members to review the following Draft Reports that were sent to Members via email on October 26, 2022 and uploaded to Rotunda for comments and suggestions by November 1, 2022:
- i. An examination into the internal controls expenditure and the accessibility and availability of diagnostic imaging services at Public Health Institutions with specific reference to the Tobago Regional Health Authority;
 - ii. An examination into the implementation of the Public Sector Investment Programme (PSIP) for fiscal year 2021; and
 - iii. An examination into the Statements of Expenditure for the First, Second and Third Quarters of the financial year 2022, with respect to:
 - Recurrent Expenditure; and
 - Development Programme - Consolidated Fund and Infrastructure Development Fund.
- 6.2 The Chairman invited Members to make any comments and suggestions. After some discussion, it was agreed that the Reports would be presented at a next sitting of the House of Representatives and Senate.

OTHER BUSINESS

- 7.1 The Chairman informed Members that the following reports were laid in the House of Representatives on Wednesday June 13, 2022 and Tuesday June 14, 2022 respectively:
- The Fourth Report of the Public Administration and Appropriations Committee on an examination of the Statements of Expenditure for the first, second and third quarters of the financial year 2021, with respect to Recurrent Expenditure and Development Programme-Consolidated Fund and Infrastructure Development Fund, Second Session (2021/2022), Twelfth Parliament; and
 - The Fifth Report of the Public Administration and Appropriations Committee on an examination of the Realignment of Ministries and Departments, Second Session (2021/2022), Twelfth Parliament.
- 7.2 The Chairman directed the Secretariat to Draft the Reports on an examination into the Statements of Expenditure for the Fourth Quarter of the financial years 2021 and 2022 respectfully and circulate to Members before December 1, 2022.
- 7.3 The Chairman informed Members that the Commonwealth Parliamentary Association (CPA) extended an invitation to Members to participate in new online

courses, which focus on Climate Change, Accessibility and the Public Accounts Committee. Members were informed to contact the Secretariat via email at housesec@ttparliament.org for further clarification.

PRE-HEARING DISCUSSION: AN EXAMINATION INTO THE MANAGEMENT AND OPERATIONS OF THE HOUSING DEVELOPMENT CORPORATION (HDC) INCLUDING THE RESTRUCTURING OF HDC INTO THREE DISTINCT STATE ENTERPRISES

- 8.1 The Chairman reminded Members that the purpose of this meeting was to examine the Management and Operations of the Housing Development Corporation (HDC) including the restructuring of HDC into three distinct State Enterprises.
- 8.2 The Chairman invited Members to review the Issues Paper prepared and circulated by the Secretariat with possible questions that can be used during the public hearing.
- 8.3 The Members discussed the issues of concern and the general approach for the public hearing.

SUSPENSION

- 9.1 There being no further business for discussion *in camera*, the Chairman suspended the meeting at 2:03 p.m., to reconvene in public.

AN EXAMINATION INTO THE MANAGEMENT AND OPERATIONS OF THE HOUSING DEVELOPMENT CORPORATION (HDC) INCLUDING THE RESTRUCTURING OF HDC INTO THREE DISTINCT STATE ENTERPRISES

- 10.1 The Chairman called the public meeting to order at 2:30 p.m.
- 10.2 The following officials joined the meeting.

MINISTRY OF HOUSING AND URBAN DEVELOPMENT

Ms. Nirmala Ramlogan	-	Permanent Secretary
Mr. Michael Byng	-	Head, Economic Research and Planning Unit
Mr. Alvin Pascall	-	Director, Legal Unit
Ms. Leeanna Gittens	-	Legal Services Officer II
Ms. Cheryl-Ann Cummings	-	Manager, Corporate Communications

**TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION
(HDC)**

Ms. Jayselle Mc Farlane	-	Managing Director
Mr. Noel Garcia	-	Chairman

Mr. Dante Selman Carrington	-	Board Member
Mr. Keston McQuilkin	-	Deputy Chairman
Mr. Romel Ramarack	-	Divisional Manager-Construction Management and Operations
Mr. Vidale Ramroopsingh	-	Divisional Manager – Project Development and Oversight (Ag.)
Ms. Kimberly Molligan	-	Divisional Manager, Legal
Mr Vaughn Rondon	-	Divisional Manager - Procurement and Contract Management
Mr. Larry McDonald	-	Divisional Manager - Estate Management
Mr. Jeremy Campbell	-	Divisional Manager- Corporate Services
Ms. Kenesha Lightbourne	-	Corporate Secretary
Ms. Koreene Trimm-Bailey	-	Senior Manager, Internal Audit

10.3 The Chairman welcomed the officials.

10.4 The Chairman outlined the mandate of the Committee and the purpose of the hearing. Introductions were exchanged.

10.5 **Key Issues Discussed:**

1. The process and timeline for the requests and releases of funds;
2. The scope of works conducted by the HDC;
3. The number of HDC housing developments and areas that benefit from the utility support provision;
4. The challenges faced by the HDC;
5. The status of the Housing Construction Incentive Programme and the Public Private Partnership Programme;
6. The arrears owed to HDC by ‘traditional renters’;
7. The number of claims by contractors currently before the court;
8. The number of applicants currently in the HDC’s database;
9. The plans to address the number of applicants versus the number of houses provided by the HDC;
10. The HDC’s allocation policy;
11. The plans to reduce the subsidies provided by the Government to the HDC to 25%;

12. The Cabinet approved 60/40 pricing policy;
13. The timeline for the submission of a revised pricing policy to Cabinet;
14. The plans in place to reduce the construction cost of homes;
15. The HDC's proposed pricing formula and strategy it intends to submit to Cabinet;
16. The HDC's debt management portfolios;
17. The strategies in place by the HDC to settle its outstanding debts over the next 12-14 months;
18. The status of the HDC's restructuring exercise;
19. The status of the team building exercises conducted by the HDC;
20. The impact of COVID-19 on the operations of the HDC and the MHUD;
21. The process for dependents of deceased tenants to transfer a 'home' in their name;
22. The future plans for the abandoned rentals located in Maloney;
23. The successes in migrating dependents from the "traditional tenancy";
24. The status of the filling of vacancies in the Internal Audit Unit;
25. The challenges encountered by the Internal Auditor performing the Internal Audit function;
26. The types of audits conducted by the Internal Audit Unit;
27. The status of the fireproof retrofitting of Charford Courts and other high priority housing developments;
28. The lessons learnt from the data lost and system failure in 2017;
29. The status of the risk policy in place in light of the new thrust to digitisation;
30. The Social Housing Programme offered by the HDC;
31. The status of the legislative changes in preparation of the restructuring of the HDC;
32. The construction of three apartment buildings on Todd Street, San - Fernando;
33. The status of the delayed payments in escrow for tenants of HDC developments;
34. The average response time by the HDC to address repairs or renovations to homes;

35. The status of the timeframe from when an application is made to when the applicant can move into a home;
36. The HDC's plan to 'scrub' the 195,000 applicant list based on eligibility;
37. The status of reviewing application forms to improve the process of capturing applicant's data;
38. The exercise undertaken to digitise the housing application process in collaboration with the Office of the Attorney General and Legal Affairs;
39. The actions undertaken by the HDC to address illegal tenant/landlord arrangements;
40. The steps taken to address the HDC's outstanding accounts receivable;
41. The steps taken to address the HDC's land management issues;
42. The status of the random selection and ministerial appointment process;
43. The measures in place to address vandalism to homes before and after construction;
44. The steps taken to improve security at sites and to reduce the repair cost to properties as a result of vandalism;
45. The status of the fairness of the random selection process;
46. The ways in which the restructuring of the HDC will fulfil the Sustainable Development Goal 11; and
47. The HDC's plans to address the issue of flooding in the areas of Oropune, Spring Village and Real Springs Valsayn South.

Please see the verbatim notes for the detailed oral submission by the witnesses.

- 10.6 The Chairman thanked the officials for attending the virtual meeting and they were excused.

SUSPENSION

- 11.1 At 5:27 p.m., the Chairman suspended the public meeting to resume for a post-hearing discussion with Members only.

RESUMPTION

- 12.1 At 5:29 p.m., the Chairman resumed the meeting.

POST-HEARING DISCUSSION

- 13.1 The Chairman sought Members' views on the public hearing. A discussion ensued.
- 13.2 The Committee agreed that additional questions would be sent to the Ministry of Housing and Urban Development and the Trinidad and Tobago Housing Development Corporation.
- 13.3 The Committee agreed that the next inquiry would be a follow-up on the examination of the Third Report of the Public Administration and Appropriations Committee based on the implementation of the recommendations of the Twenty Fourth Report into the Processing of the payment of Pensions and Gratuities of Retired Public Officers and Contacted Employees.

ADJOURNMENT

- 14.1 The Chairman thanked Members for their attendance and the meeting was adjourned to **Wednesday November 16, 2022 at 1:30 p.m.**
- 14.2 The adjournment was taken at 5:50 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

November 2, 2022

Additional Questions to the Trinidad and Tobago Housing Development Corporation (HDC) and the Ministry of Housing and Urban Development.

1. Provide the following details on the utility support provided to tenants by the HDC:
 - i. The total cost of the utility support provided to tenants;
 - ii. the eligibility criteria for this support;
 - iii. the timeframe for this support to tenants;
 - iv. the cause(s) for the review of this support;
 - v. the challenges to be addressed by this review; and
 - vi. The number of tenants and the areas of the HDC housing developments that benefit from this support.

Accountability (pgs. 12-14)

It was noted that the allocation to the Housing Development Corporation for 2020 was (TTD\$602,622,514), 2021 (TTD\$642,683,722) and 2022 (TTD\$384,035,284.) The HDC stated that the allocations were utilized for recurrent expenditure at a specific time – primarily for Loans and Bond payments incurred and obtained in 2006.

2. Provide the following details on the loans and bonds payments made by the HDC;
 - i. the terms and reference;
 - ii. the purpose of the loans and bonds;
 - iii. the type of loans and bonds;
 - iv. the payments made on the loans and bonds to date;
 - v. Would the payments for this loan affect other projects of the company in the short and medium term;
 - vi. The projects the loan and bonds were used for and the status of these projects;
 - vii. Why were funds allocated for the years 2020-2022 still being used for Loans and Bond payments incurred and obtained in 2006;

- viii. What is the status and nature of these Loans and Bond payments incurred and obtained in 2006;
 - ix. What is the total value of the Loans and Bond payments incurred and obtained in 2006;
 - x. Who are these Loans and Bond payments owed to;
 - xi. What did HDC use the loans for?
3. State the ways in which the HDC factored in the arrears owed by tenants into its strategies to recover and settle debts owed.
 4. What were the savings to be anticipated with the opening of the new Facilities Management Company?
 5. Provide details on the relocation of the dependents of “traditional tenants” to another property.
 6. Provide the annual audit plan for fiscal 2022 and 2023.
 7. What is the status of the implementation of the recommendations in the 2022 Audit Plan?
 8. Provide the status of the fire retrofitting plans at HDC housing complexes and the timeline for the completion of the retrofitting.
 9. What is the total sum of rent owed to HDC at present?
 10. State the timeframe for the recommencement of the stalled projects, the period that the projects were on hold and the cost overruns incurred.
 11. State the process and timeline from when an applicant puts in an application to finally moving into a home.
 12. State how the HDC’s plans to address the issue of flooding in the areas of Oropune, Springvillage and Real Springs Valsayn South.
 13. State whether the HDC intends to change the materials used to construct houses as a way to lower the constructions costs.
 14. State the measures that will be introduced to reduce the cost of the construction of homes.
 15. State the total cost incurred on the restructuring exercise, to date.
 16. State the shortcomings experienced in the random selection process and the measures taken to address these shortcomings.

17. Based on the statement made at the public hearing on Wednesday November 2, 2022 that “each company should be up and running by January 2023”, state whether the restructuring exercise is on schedule to meet the stated timeline.
18. What measures were implemented to ensure the seamless transition from the HDC to the 4 other companies?
19. In light of the restructuring exercise, state whether a Business Continuity and Succession Plans were developed.

General Questions (pgs. 1-7)

Questions

1. How were the challenges encountered in the execution of the mandate addressed to ensure the provision of affordable shelter and associated community facilities for low and middle income persons are carried out efficiently and economically?
2. What were the lessons learnt arising from the challenges encountered?
3. Since the submission of the written response to the Committee, how many homes have been distributed to date in fiscal 2022?

In the written response provided to the Committee, the HDC stated that some of the challenges encountered in the execution of its mandate are:

- Financial;
 - Supply chain issues; and
 - Squatters.
4. State the financial challenges faced and how were these issues rectified?
 5. Were these issues exacerbated by the COVID-19 pandemic? Have these been long term issues? What were the lessons learnt?
 6. What were the specific supply chain issues faced?
 7. State whether any alternative parties were engaged to avoid/mitigate the supply chain issues?
 8. What is being done to mitigate the issue of squatting and at what cost?

The HDC noted that three of the challenges faced in the distribution of homes were:

- Remedial Works – Defective Units preventing the timely release of keys to clients;
- Defects identified during the customer inspection; and
- Low acceptance of current rental stock.

9. Explain the term “defective units’.
10. What defects would warrant remedial works?
11. What were the common defects identified?
12. What processes are in place to reduce the occurrence of defective units?
13. Were the Units previously occupied by tenants? How did these Units become defective?
14. Who is responsible for the maintenance of the Units before and after completion?
15. How were the following challenges encountered during the distribution of homes addressed, specifically:
 - Late delivery by contractors;
 - Assessed customers unable to qualify due to changes in their personal circumstances, causing insufficient debt service ratio and so delays the mortgage process;
 - Defects identified during the customer inspection;
 - Low acceptance of current rental stock; and
 - Location challenges.

Questions:

1. What were the lessons learnt arising from the challenges encountered during the distribution of homes?
2. Were the homes inspected by HDC before distribution? If yes, how often and by whom?
3. How long have defective units been an issue?
4. Has an evaluation been conducted to determine the causes of defectiveness?
5. Are the defective units rectified before the handover of the keys?

6. Who compensates homeowners for property damages or loss of property as a direct result of a defective unit?
7. What were the reasons for the low acceptance of the current rental stock?
8. What feedback has been given by potential renters as the reasons for non-acceptance of rental units?
9. Is there a database of responses relative to the reasons for non-acceptance?
10. What has been done to encourage persons to accept the current rental stock?

The HDC noted that within the eligibility criteria for Rent-to-Own Housing (RTO), the installment is calculated based on a factor (determined by the HDC) multiplied by the difference between what the customer qualifies for and the cost of the property, where the difference must not exceed \$100,000.00.

Questions:

1. How is this 'factor' determined in the calculation for installments?
2. Has this 'factor' changed in the past five years? Is there a process in place to review the 'factor'? State the process.
3. Is this 'factor' uniformly applied to every applicant?

In the written response to the Committee, it was stated that 'Low and middle income citizens are citizens whose gross income does not exceed TT\$25,000 per month'.

Question:

1. What benchmarks were used to define the term 'low and middle-income' as stated in your response?

Internal Audit (pgs. 15-19)

The HDC indicated that the Internal Audit Unit is currently understaffed. It was noted that a proposal is before the Board to increase manpower along with relevant audit software.

Questions:

1. What is the status of the proposal that is before the Board to increase manpower along with relevant audit software?

2. What is the Internal Audit Unit doing to ensure efficient functioning while being understaffed?
3. What would be the cost of increasing manpower and acquiring the audit software?
4. Provide a detailed guide of the process that the proposal undergoes from Board approval to the actual recruitment of the requisite staff needed for the Unit.
5. What is the name of the relevant audit software as referred to in the written response?
6. Was research conducted into this 'relevant audit software' to determine the efficiency, effectiveness and challenges?
7. Would training be required to use the software? If so, at what cost?

The HDC indicated that audit investigations are conducted upon request and that no such requests were made of the Internal Audit Department (IAD) in the recent past.

Questions:

1. What were the general reasons for which these requests were submitted?
2. What was the process for one to submit a request for initiating an audit investigation?
3. Have any requests been made to the IAD outside of the "recent past"?
4. When was the last audit investigation conducted? Provide details of its findings.
5. What was the cost of the investigation?

The HDC indicated that there was a loss of data due to flooding, a database crash in 2017 and a fire in 2022.

Questions:

1. What is the HDC's document management policy?
2. How were the paper and digital records maintained? State the process for maintenance of the paper and digital records.
3. When was the data lost?
4. What proportions of records were lost?
5. What was the process used to retrieve the data that was lost? What is the status of the retrieval of the data that was lost?

6. State how the loss of data affected the processing of applications or the administration of client related procedures in general.
7. Given the loss of data due to a crash in 2017 and a fire in 2022 from a database of customer's information, what is the data backup policy?
8. State the current "opportunities for improvements" identified by the HDC.
9. When was the last "opportunity for improvement" actioned?
10. What cost was incurred to action these opportunities?

The Internal Audit Charter states that "the frequency of auditing each process for controlling the Corporation's operations will be determined by a risk assessment of the Corporation, conducted annually by the Internal Audit Department..."

Questions:

1. When was the last risk assessment conducted?
2. What was the result of the last risk assessment?
3. How did the annual risk assessments improve the internal controls of HDC?

The HDC indicated that it has enlisted ICT, Training, Recruitment and Reporting as robust controls to improve efficiency.

Questions:

1. What aspect of 'ICT' have been enlisted and at what cost? How does ICT improve efficiency?
2. What does "training" mean in this instance to improve efficiency?
3. Who gets access to "training"?
4. How does enlisting "training" improve HDC's efficiency?
5. What is the cost associated with recruitment?
6. What aspect of reporting has been implemented to improve efficiency and at what cost?

The HDC indicated that the Internal Audit Charter is reviewed annually and any contraventions are reported by the Manager of Internal Audit.

Questions:

1. When was the last review of the IAD Charter?

2. What was the outcome of the review?
3. What contraventions, if any, were highlighted?
4. How does the HDC intend to address these contraventions?
5. From the internal and external auditors are prepared in a timely manner?

Strategic Plan (pgs. 19-30)

The HDC stated that the Strategic plan is completed. The HDC highlighted several strengths, weaknesses, opportunities and threats. The ways in which the HDC intends to capitalize on its strengths and opportunities to overcome its threats and weaknesses were further underscored.

An additional weakness noted by the HDC is that of deteriorating financial performance. The HDC specified that it intends improve its financial performance by:

- Reducing expenses,
- Reviewing its collection methods and;
- Managing client accounts to include technology and improve debt collection.

Questions:

1. What expenses will be reduced by the HDC? Provide a list of these expenses.
2. How does the HDC intend to reduce these expenses and by how much?
3. Does the HDC have a level of expenditure goal? If so, what is this goal?
4. How effective are the current collection methods?
5. How would the review of the collection methods improve its efficiency?
6. What process was used to review the collection methods? Who is responsible for reviewing these methods?
7. What is the status and amount of HDC's bad debts?
8. What are the challenges being faced with the current management of client accounts?
9. What is the cost to include technology in the management of client accounts?
10. How would the inclusion of technology improve debt collection?

One of the weaknesses highlighted was that of a weak financial position. The HDC plans to overcome this weakness by:

- Audited Financial Statements

- The creation of a Treasury Manager – (to be hired by the HDC) and;
- Strict adherence to the Divisional Manager’s Finance Checklist.

Questions:

1. What is the status of the audited financial statements for the period 2005 to present?
2. What are the reasons for the non-submission of financial statements to the Parliament?
3. What are the key roles and responsibilities of the prospective Treasury Manager?
4. Explain how the recruitment of a treasury manager will improve the financial position of the HDC.
5. When will the treasury manager be hired?
6. What is the ‘Divisional Manager’s Finance’ Checklist? Provide a copy of this checklist.
7. How would this checklist improve the weak financial position? Provide an example.
8. What were the challenges that prevented the strict adherence to the Divisional Manager’s Checklist in the past and how does the HDC intend to mitigate these challenges?

The HDC noted that another weakness is that of a reliance on subvention. The HDC stated that it intends to obtain approval for a pricing and maintenance policy to improve this reliance.

Questions:

1. What is the status of these policies?
2. How will the Pricing and Maintenance policies reduce the HDC’s reliance on subvention? Provide an example.
3. How would the ‘Transformation of HDC’ improve the work ethic/low productivity?
4. What is the status of the implementation of the following objectives (pg27):
 - a) Revenue generation;
 - b) Decreasing administrative expenses;
 - c) Increasing assets;

- d) Increasing cash flows;
- e) Reducing debts;
- f) Human Resources Management/Development;
- g) Improving communication systems; and
- h) Safety.

The HDC indicated that a means of reversing deteriorating financial performance is through an improved procurement process.

Questions:

1. How does the HDC intend to improve its procurement process?
2. What challenges were encountered during the procurement process?
3. How long have these challenges plagued HDC?
4. State whether there any cost will be incurred in the improvement of the procurement process.

HDC's Programmes and Projects: Construction (pgs.31-37)

The HDC highlighted Inspections as one of the tools utilized to ensure that public funds are managed efficiently when constructing homes.

Questions:

1. What stage of the construction process were inspections conducted?
2. Who conducts these inspections and at what cost?
3. Do the inspections follow an approved procedure/ check-list to ensure effectiveness?
4. As aforementioned, defects and defective units were an issue in the distribution of homes. How high of a priority were the inspections of homes by the HDC?

HDC's Programmes and Projects: Maintenance (pgs.37-41)

The HDC indicated that it spent TTD\$126 million to carry out routine checks on housing developments.

Questions:

1. Provide a breakdown of the TTD \$126 million spent to carry out these routine checks on housing development.

2. How can \$126 million be spent to carry out routine checks when defects and defective units are a main issue in housing distribution?
3. How often were these routine checks carried out?
4. Who is responsible for carrying out these checks?

The HDC specified that it conducted monthly maintenance work on HDC managed developments.

Questions:

1. What is the order of priority for maintenance work?
2. What does the 'monthly maintenance work' entail?

The HDC noted that a key issue faced in the maintenance of housing developments and units is that of vandalism of works during the execution. The HDC also noted the following:

- The approximate number of homes vandalized is 99 at an average cost of TTD\$30,000.00 per unit (TTD\$2,970,000.00).
- The cost of recruiting security officers at the construction sites and at completed houses are: TTD\$14,359,918.20 for 2021 and TTD\$5,949,835.00 for 2022 (to date).

Questions:

1. Given that approximately TTD \$14 million was spent for 2021 and approximately TTD \$6 million was spent in 2022 (to date) in an attempt to reduce the occurrence of vandalism, how does the HDC intend to improve the effectiveness of security to reduce the cost of repairing vandalized homes?

The Fiscal 2023 Restructuring of the HDC

In the 2023 Budget Statement the Minister of Finance stated the following⁶:

“The HDC as presently organised, managed, and financed has built-in inefficiencies and it cannot continue with business as usual. It is distracted by having to deal with the many demands for maintenance of rental properties and the difficulties in collecting money owed by occupiers of HDC

⁶ Ministry of Finance website, accessed on October 31, 2022: <chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.finance.gov.tt/wp-content/uploads/2022/09/Budget-Statement-2023-E-Version.pdf>

properties, as well as the urgent need for new housing construction. We are therefore putting in place a new structure for the HDC which envisages a holding company with 3 subsidiaries:

- *the Trinidad and Tobago Housing Development Corporation Construction Company will manage all elements of property development, including land acquisition, urban planning, project and construction management and the provision of financing solutions to undertake construction projects;*
- *the Trinidad and Tobago Housing Corporation Facilities Management Company Limited will focus on property management, including the maintenance of rental housing units, the maintenance of the management company portfolio and partnering with regional corporations and other external entities to upkeep communities and promote sustainable community development; and 2023 BUDGET STATEMENT;*
- *the Trinidad and Tobago Housing Development Corporation Asset Management Company Limited will complete the sales of the finished housing units and will continue to manage and provide administrative support for housing development under its purview until handed over to purchasers*

Madam Speaker, we anticipate that the HDC as reorganised will now have greater financial flexibility, greater efficiency, better focus, and the ability to quickly monetise housing assets which cannot be easily completed in their present form.”

Questions:

1. What will the restructuring exercise entail?
2. What is the timeline for the restructuring of the HDC?
3. How will this restructuring affect the current operations of the HDC?
4. How will the creation of subsidiary companies reshape the business of the HDC to increase shareholder value and delivery of services to the population?
5. Who will be responsible for the monitoring and evaluation of these state enterprises?
6. Will funds be expended to capitalise the assets of the newly formed state enterprises?
7. How will this restructuring affect the HDC's current debt portfolio?
8. Have the strategic plans for each of the state enterprises been developed?

9. Has the organisational structure, staffing levels and remunerations been finalised for the new companies?
10. Given the genesis of the restructuring of HDC what targets have been set in the short medium and long term?
11. What benchmarks were used to define the term 'low and middle-income' as stated in your response?
12. How will these new companies assist in achieving the Sustainable Development Goal 11 (which aims to ensure access for all to adequate, safe and affordable housing)?
13. How will this restructuring differ from the restructuring of the past National Housing Authority?
14. How will these three subsidiaries benefit the citizenry to ensure the provision of affordable shelter and associated community facilities for low and middle income persons?
15. How will the restructuring affect the agency from a personnel, administrative and financial perspective?

Appendix III

Verbatim

**VERBATIM NOTES OF THE ELEVENTH VIRTUAL MEETING OF THE
PUBLIC ADMINISTRATION AND APPROPRIATIONS COMMITTEE HELD,
(IN PUBLIC), ON WEDNESDAY, NOVEMBER 02, 2022, AT 2.30 P.M.**

PRESENT

Mrs. Bridgid Annisette-George	Chairman
Dr. Lackram Bodoë	Vice-Chairman
Mrs. Lisa Morris-Julian	Member
Mr. Wade Mark	Member
Ms. Amrita Deonarine	Member
Mr. Laurence Hislop	Member
Mr. Randal Mitchell	Member
Ms. Keiba Jacob-Mottley	Secretary
Ms. Khisha Peterkin	Assistant Secretary
Ms. Hema Bhagaloo	Assistant Secretary
Ms. Rachel Nunes	Graduate Research Assistant

ABSENT

Mrs. Ayanna Webster-Roy	Member
Mr. Hassel Bacchus	Member
Mr. Symon de Nobriga	Member

MINISTRY OF HOUSING AND URBAN DEVELOPMENT

Ms. Nirmala Ramlogan	Permanent Secretary (Ag.)
Mr. Michael Byng	Head, Economic Research and Planning Unit
Mr. Alvin Pascall	Director, Legal Unit
Ms. Leanna Gittens	Legal Services Officer II

TRINIDAD AND TOBAGO HOUSING DEVELOPMENT CORPORATION (HDC)

Ms. Jayselle Mc Farlane	Managing Director
Mr. Noel Garcia	Chairman
Mr. Dante Selman Carrington	Board Member
Mr. Keston McQuilkin	Deputy Chairman
Ms. Kimberly Molligan	Divisional Manager – Legal
Mr. Ronnel Ramarack	Divisional Manager – Construction Management and Operations
Mr. Vidale Ramroopsingh	Divisional Manager – Project Development and Oversight (Ag.)
Mr. Vaughn Rondon	Divisional Manager – Procurement and Contract Management
Mr. Larry Mc Donald	Divisional Manager – Estate Management
Mr. Jeremy Campbell	Divisional Manager – Corporate Services
Ms. Koreen Trim-Bailey	Senior Manager – Internal Audit

Madam Chairman: Good afternoon and welcome to the officials of the Ministry of Housing and Urban Development and Trinidad and Tobago Housing Development. My name is Bridgid Annisette-George and I am the Chairman of the Committee on Public Administration and Appropriations of the Parliament of Trinidad and Tobago. The Committee on Public Administration and Appropriation (PAAC) has the mandate to consider and report to the House on:

- (a) The budgetary expenditure of Government agencies to ensure that expenditure is embarked upon in accordance with parliamentary approval;
- (b) The budgetary expenditure of Government agencies as it occurs and keeps Parliament informed of how the budget allocation is being implemented; and
- (c) The administration of Government agencies to determine the hindrances to their efficiency and to make recommendations to the Government for improvement of public administration.

The purpose of this meeting is to conduct an examination into the management and operations of the Housing Development Corporation (HDC) including restructuring of HDC into three distinct state enterprises. The role of the Committee is to assist the stakeholders in achieving the efficient delivery of services while ensuring that expenditures embarked upon in accordance with parliamentary approval, to determine of challenges being faced and possible solutions to these challenges, and make recommendations for improvement of public administration.

This meeting is being broadcast live on the Parliament's Channel 11, on Radio 105.5 FM and the Parliament's YouTube Channel *Parlview*. Viewers and listeners can send their comments related to today's enquiry via email at parl101@tpparliament.org, facebook.com/tpparliament, and Twitter [@tpparliament](https://twitter.com/tpparliament). Participants are advised that their microphones should remain muted until recognized by the Chair. I now will invite the members of the Committee who are present to introduce themselves. We can start with member Mark. Member Mark, your mike. You are still muted, member Mark. Okay. Member Mark may be having—

Mr. Mark: I am okay now.

[*Introductions made*]

Madam Chairman: Thank you very much, members. And I will now invite in the order the members of the Ministry of Housing and Urban Development to introduce themselves, and then the Trinidad and Tobago Housing Development Corporation. Thank you.

[*Introductions made*]

Madam Chairman: And is Ms. Cummings here? Okay. So then maybe we can go on to the Housing Development Corporation. So maybe we could start with the members of your board?

[*Introductions made*]

Madam Chairman: Okay. So Madam CEO maybe you could introduce yourself and then your members of your management team.

[*Introductions made*]

Madam Chairman: I do not believe Ms. Kenesha Lightbourne is here as yet, so maybe we can make a start. Therefore, I will invite the acting Permanent Secretary of the Ministry of Housing and Urban Development to make a brief opening statement.

Ms. Ramlogan: Thank you, Madam Chair. The Ministry of Housing and Urban Development has at the start of its mandate the provision of Government subsidized housing and the monitoring and evaluation of housing trends and markets in the country, both of which are executed through its implementation agency, the Trinidad and Tobago Housing Development Corporation. The Ministry and the Housing Development Corporation remain committed to improving the physical and socioeconomic conditions of citizens through public sector housing initiatives particularly for those in the low to lower middle income groups as articulated in the National Development Strategic Plan Vision 2030. In so doing, the Ministry provides a monitoring role over the strategic direction of the corporation's operational framework in accordance with the state enterprise programme—sorry, the State Enterprise Performance Monitoring Manual in support of the effective execution of its mandate in accordance with Government's vision.

The Trinidad and Tobago Housing Development Corporation was established by Act No. 24 of 2005 to replace the National Housing Authority. Its mandate is enshrined in section 13(1) of the Act, which essentially deals with the provision of affordable housing units for mortgage, rent-to-own, and rental arrangements for low to lower middle income applicants whose monthly income does not exceed \$25,000. One of the first pillars of the Government's housing policy is affordability. As such, Cabinet has approved a housing pricing formula where the Government absorbs infrastructural cost, which equates to a subsidy of on average approximately 40 per cent of the overall cost of the housing units constructed by the HDC. The Ministry also provides funding for the rehabilitation and maintenance of HDC rental apartments and housing units under Vote D 075.

Over the last three years, the Ministry has allocated approximately \$20 million towards this activity. The Ministry also ensures the Corporation adheres to the operational guidelines as

stated in the State Enterprises Performance and Monitoring Manual, and the Minister of Finance Call Circular. This is to ensure that the HDC implements best practices in the conduct of its operation activities including its construction programme.

The Ministry also provides oversight and guidance of the HDC strategic plans and objectives to ensure they are aligned to the Government's National Development Strategy Vision 2030, and are consistent with the five national development teams. In so doing, we monitor the activities of the HDC to ensure that it has the necessary resources for its projects and programmes. In so doing, the Ministry monitors the processes of the HDC through its strategic plan as outlined by the HDC for the period 2021—2025, annual budgets, annual financial statements, and minutes of board meetings.

We also review all invoices submitted for payment to ensure transparency and accountability of procurement practices in expending Government funding, as well as ensuring financial instruction, regulations and guidelines as adhered to according to the Exchequer and Audit Act, Chap. 69:01. The financial natural resources required to meet the total demand for governmental subsidized housing far exceeds the resources available to the Ministry of Housing and Urban Development and by extension the Government of the Republic of Trinidad and Tobago. Indeed, no Government in the world can do that. No Government in the world can build a house for every citizen who asks for one.

What we can do is reorganize resources to deliver as many housing solutions as possible to as many citizens who qualify, mainly the low to lower income—sorry, mainly the low to lower middle income group with greater efficiency. As such, the Minister of Finance announced a reorganization of the HDC in the 2022 Budget Statement to facilitate the HDC's role as the landlord for its rental properties and its developer with respect to the construction of affordable housing units for sale to the public. The process is currently ongoing and was agreed to by Cabinet in August of this year.

While the HDC has provided written submissions for scrutiny ahead of this sitting, as requested by the Public Administration and Appropriations Committee, it is important to note that the Ministry continues to support the HDC through the provision of funding from the Ministry's PSIP and Consolidated Fund, virement or transfers from HDC's Votes to assist with meeting payment schedules, review of HDC's monthly status reports against draft estimates using key performance indicators to ensure projects are within budget are on schedule, Cabinet Notes regarding loan payments.

With these few words, Madam Chair, I take the opportunity to reiterate the Ministry's unwavering support of the work of the Housing Development Corporation as it provides mortgage and rental units to low and lower middle income families. As Acting Permanent Secretary, I can give the undertaking that the Ministry's team will continue to support the agency as it fulfils the recommendations of this honourable Committee. With the permission of the Chair, I will now pass you over to the Managing Director of the HDC, Ms. Jayselle Mc Farlane, who will elaborate further and take your questions. Thank you.

Madam Chairman: Thank you very much, Madam PS. I now invite the Managing Director of the HDC to make her opening statement.

Ms. Mc Farlane: Good afternoon, Chair, and everyone. We are delighted to be here to answer all your questions. As you know, the HDC is tasked with the provision of affordable houses for our citizens. Currently our mandate is 2,500 houses per year for which the HDC is working assiduously to complete. Today's session is intended to answer how our operations are run and we look forward to answering your questions.

Madam Chairman: Thank you very much, Madam Managing Director. Okay. So, I

wanted to maybe start the conversation by asking the Acting PS with respect to the monitoring role that she indicated that the Ministry has over the operations of HDC and also ensuring that the HDC is properly resourced. In terms of looking at the submission, it appears to me that one of the major challenges that the HDC has indicated is in the area of financial. And while that may also have the aspect of their revenue generation, I glean also with respect to the releases, the reliability of releases—I do not want to say the lack of consistency, but let us say the consistency of releases—how does your Ministry ensure that the allocation that has been appropriated by the Parliament is released in a timely manner for the HDC to discharge its function?

Ms. Ramlogan: Madam Chair, we review the expenditure reports of the HDC and we look at their implementation schedules also, and when bills are received from the HDC we do a comprehensive audit of them and they are then sent on to the Ministry of Finance. When they are sent to the Ministry of Finance, we also keep—we also have a very good rapport with the Ministry to make sure that they are facilitating for the payments.

Madam Chairman: Okay. So could you give me an idea of the timeline—I would not say the time gap—between a request for releases and the actual release to HDC? Roughly what kind of timeline operates?

Ms. Ramlogan: According to the amount of bills that we would get is how we would be working. So, requests can take a matter of three days or it can be up to a week to fulfil.

Madam Chairman: So could you give me a recent example of when it took three days? So, you are saying three days as the minimum and you are saying seven days as the maximum, so could you give me—because you say it is based on quantum required. Give me an example so we could kind of group them in a sort of category. So if they ask for \$20 you will take three days, and if they ask for a million, it will seven days. Give us an idea of how that works.

Ms. Ramlogan: So the most recent one we have received and we have received payments from the HDC for it was in the amount of about 1,500,000, and we would have received payments for that within three days. At present, we have a payment which is processing which is taking us a little over a week to have processed. So I can only—

Madam Chairman: The date of the request was when? When was the date of request?

Ms. Ramlogan: It was last week Friday. Right? So I can only report for this financial year at present. If the Committee would like reports for past, I would have to furnish that to you at a later date.

Madam Chairman: Okay. Thank you. So that from your end it will be that therefore the major financial constraint will not be with respect to the subvention, but with respect to HDC's collections. Will that be correct to say?

Ms. Ramlogan: Processing of bills.

Madam Chairman: I am confused.

Ms. Ramlogan: Okay. Could you elaborate a little more in terms of what you mean by, please?

Madam Chairman: No, I asked you about releases—requests and releases. If I understand well what you said to me, there “isn’t” any problem, there “isn’t” any time gap. There is a minimum of three days, and a maximum of seven days. The last request you told me was last week Friday, so we are not even a week. Even though you say it is taking more than a week, we are not even a week passed.

So if that is the track record of request versus actual receipt of the subvention—and HDC from what I glean from their submission, one of their major challenges would be financial. I am asking you if I am correct then in concluding that that issue, financial, would not have anything to do with tardiness or lack of responsiveness in the release of the subvention, but really in terms

of the HDC end which is their collections, which has nothing to do with the Ministry?

Ms. Ramlogan: It does not have to do with the Ministry in terms of tardiness or release of the subvention.

Madam Chairman: Okay. Thank you very much. All right. So I want to ask maybe the HDC, I see your mandate as set out in Section 13 of your Act which seems to me very wide, and I want to ask that is there anything else that you do which is necessary and convenient for and in connection with the provision of affordable shelter and associated community facilities for low and middle income persons? If there is anything else you do other than construction of units for mortgage, sale and rental? Is there anything else that you do that falls under those wide parameters?

Ms. Mc Farlane: So yes, Chair, I can take that question. Good afternoon everyone again. So, the HDC also maintains rental properties, and in some instances the HDC covers for those who are unable to cover their electrical and WASA bills, the HDC covers those as well. So it generally centres around the maintenance of the properties which will be such items as the lifts, the grass cutting, drain cleaning and those items, as well as in some instances covering electricity bills for some of our tenants.

Madam Chairman: Okay. Thanks so much, Ms. Mc Farlane. I really find interesting about the electricity bills because I did not realized that that came out to HDC. If you could let us know a little bit more about that; how do people qualify; what kind of quantum; how long that sort of support is given? And this will only be in respect of your tenants, would I be correct?

Ms. Mc Farlane: Correct. So they are mainly for the traditional rentals, and those rentals are in the location of generally in Port of Spain where we have tenants who their payments are around \$100 or so and for our pensioners' quarters.

Madam Chairman: Okay. So annually roughly what sort of sum we are talking about?

Ms. Mc Farlane: The sum for the electricity bills could run in the vicinity of annually around 10—well our electricity bill annually is around \$30,000, and on an average for those tenants it will be around 10,000.

Madam Chairman: Okay. So I will give you an opportunity to check that so you can give us that in writing—

Ms. Mc Farlane: Yes.

Madam Chairman:—and your eligibility for such sort of support. Is it a continuing support, or is it for three months, six months? If you could give us some details with respect to that.

Ms. Mc Farlane: Okay.

Madam Chairman: Okay? Yes?

Ms. Mc Farlane: Well we are currently reviewing this entire exercise in an effort for some instances to remove this provision by the HDC.

2.55 p.m.

Madam Chairman: Okay. So what I wanted to ask is, and maybe you could put that in the submission, what caused the need for the review, what were the challenges and what you are expecting to address by this new system you intend to put in place. Okay, what is the devil or the mischief you are trying to address with this new structure? Member Mitchell.

Mr. Mitchell: Thank you very much, Madam Chair. Piggybacking on your first question, I know that there are two programmes that the HDC is presently involved in. The Housing Construction Incentive Programme, that—I mean, I am listening to the DPS when she made the statement that Government cannot reasonably be expected to provide housing for all

its citizens. I know that there is an incentive programme incentivizing the private sector to build low-cost housing so I needed an update on that programme, how well it is doing, how many participants, and also the PPP programme.

Ms. Mc Farlane: Sure. Chairman and members, I will transfer this question over to Vidale who is our Divisional Manager of Project Oversight, he would answer this question.

Mr. Ramroopsingh: Good day again everyone. So I will answer the question on the Housing Construction Incentive Programme. So, a total of 134 packages were sold resulting in 38 packages deposited and 38 contractors registering under the HCIP. Of these 38 contractors who registered, we have two contractors who were retained to execute work on state land and one contractor who is executing work on private land. In total, the total number of units under the HCIP thus far is 55 units in total and that is for the HCIP.

Madam Chairman: Member Mitchell, your mike.

Mr. Mitchell: I am sorry. Yes, this programme started in 2017, we have 55 under—can you give us an update, are you advertising the programme or is it that you are advertising the programme and you are just not getting the type of responses from the private sector?

Mr. Ramroopsingh: Okay, so the programme has been advertised on the HDC website but what we find is that we have not been getting the interest from contractors thus far since the programme was launched.

Mr. Mitchell: Okay and could you just tell us about the PPP programme, how that works, and what it is yielding?

Mr. Ramroopsingh: Chair and members, I would like to pass this question over to our Divisional Manager of Construction, Mr. Romel Ramarack.

Mr. Ramarack: Good afternoon everyone again. So the PPP partnership is really our design/build/finance programme. Design/build/finance because we would engage a contractor to design, construct and finance the project during the construction phase. After the construction phase, the contractor could very well hand over units to us in sections or they could hand over units in terms of the entire site. Only at the end of construction where units are habitable, then the contractor would be paid. The contractor would be paid through the remittances in terms of the conversion of the house through a mortgage with the mortgagee and that is the first option. The second is if that does not happen within a two-month period, the HDC would actually pay the contractor and receive the remittances from the mortgage process. So that is really the model.

In terms of projects that we would have undertaken under the design/build/finance approach would have been 20 packages or 20 contracts and this has a total yield of 945 units. To date, out of the 945 units, we would have completed and handed over in terms of delivery, 352 units, and under construction right now is 542 units. These contracts vary from Mahogany Court, Malabar Site One, Riverside North in south, Riverside East San Fernando, Riverside C in San Fernando, Trestrail in D'Abadie and Eden Gardens in Freeport.

Mr. Mitchell: Okay, thank you. Thank you, Madam Chair.

Madam Chairman: Okay. Member Mark. Member Mark, your mike.

Mr. Mark: Okay. Madam Chair, may I go ahead?

Madam Chairman: Yes, you may proceed.

Mr. Mark: Thank you, thank you, thank you. Madam Chairman, just a follow-up on what you had asked very early in the proceedings. I just wanted to ask the Managing Director of HDC if she could share with us how many apartments are covered or enjoy the facility that you made reference to earlier, that is, the coverage of water and electricity rates or payments by

the HDC on behalf of the tenants? How many apartments are involved in this particular facility, Madam Chair, through you?

Ms. Mc Farlane: Okay. Good afternoon, again, Madam Chair and member Mark. So our rental units amount to over 12,000 units of which 5,454 units are traditional rentals. These traditional rentals are in the—they are, sorry, in areas such as Duncan Street, Nelson Street, Beetham—one second, see if I could read this document a lot better.

Mr. Mark: Through you, Madam Chair, you can provide that in writing when you go through.

Ms. Mc Farlane: Sure.

Mr. Mark: I just wanted to ask you 5,400 traditional rentals.

Ms. Mc Farlane: Correct.

Mr. Mark: Are these the ones that enjoy the electricity and the water rates arrangements?

Ms. Mc Farlane: Yes.

Mr. Mark: Okay and that is the one we talked about—anyway, you are going to provide us with the correct figures. When I say the correct figures, you did indicate that it was about 10,000 and I am trying to reconcile that with the 5,400 that you have just indicated. I guess you will put it in writing for the Committee so we do not have to pursue that at this time. What I wanted to ask, Madam Chair, through you, to the Managing Director, is how much moneys are owed by these renters as we speak, to the HDC?

Ms. Mc Farlane: Sure.

Madam Chairman: Just one minute, member Mark, so we are just talking about the traditional rentals.

Mr. Mark: Yes, those who are enjoying the coverage.

Ms. Mc Farlane: Okay. So as at today's date, our recovery figure is—one second, our delinquency figure for the traditional rentals is in the vicinity of \$47 million. So we have broken out our delinquency portfolio into traditional rentals, licence to occupy, rent-to-own and commercial delinquency and for the traditional rentals, it is \$47 million as at today's date.

Mr. Mark: All right. Can you tell this Committee based on your submission, the Housing Development Corporation in 2020 received \$602.6 million; in 2021, the HDC received \$642.7 million; in 2022, \$384 million. However, the allocations for those years were utilized for recurrent expenditure primarily for loans and bond repayments which were incurred some time in 2006. Could you tell this Committee or explain to this Committee the following? Why are funds allocated for those years that I have mentioned still being used for loans and bond repayments or bond payments arising out of an arrangement in 2006? That is the first area I would like you to clear up for this Committee. The second one is, can you tell us—

Madam Chairman: So, member Mark, maybe you could give the Managing Director an opportunity to answer that?

Mr. Mark: Okay, thank you, Ma'am.

Madam Chairman: And then you will ask your other question. Thank you.

Ms. Mc Farlane: Thank you, Chair. Member Mark, the loans and bonds have a period of a term which would be beyond from the date of the borrowings to the expired time and therefore the remittances would be to satisfy those term arrangements.

Mr. Mark: Can you tell this Committee what is the expiration of these loans and the bond arrangements? What is the expiration time frame?

Ms. Mc Farlane: Well, there are various bits of loans and bonds and so I would have to

provide that in writing.

Mr. Mark: Okay. So can you tell us also what is the current status and nature of these loans?

Ms. Mc Farlane: The status of the loans is that they are still to be paid off and the nature of the loans would have been to provide funds for the HDC's operations.

Mr. Mark: Can you tell us what is the total value for these loans and the bond payments? What is the total value?

Ms. Mc Farlane: I would have to provide that in writing.

Mr. Mark: Okay, who are these loans and payments owed to? Or let me rephrase it.

Madam Chairman: Okay, so member Mark, might I suggest as regards those loans, that the Managing Director be given an opportunity to provide us in writing all the details surrounding the loans in terms of quantum, date of loan, the term of the loan, purpose of the loan, actual status, if the payments—I understand you to be asking about the status, if the payments are up to date in servicing the loan and that sort of thing. I think in all fairness, maybe we should give the Managing Director an opportunity to give us that in writing. It would be a more comprehensive response.

Mr. Mark: Okay. Thank you very much. Madam Chair, I have a question I want to ask on the accountability part. We are all aware that the Minister of Finance in his 2022/2023 Budget Statement did indicate that he was allocating some \$500 million out of a total of \$1.5 billion to the HDC and to deal with payment of outstanding amounts to contractors. Can the Managing Director inform this Committee what is the quantum of money that is owed and outstanding to contractors as it relates to work that would have been concluded and properly certified?

Ms. Mc Farlane: Chair and member Mark, the balance of our outstanding liabilities to contractors includes our actual bills and an accrual. To date, it sits at \$1.3 billion of which we are making progress payments from the \$500 million that was approved and received by the HDC. So we are in the process of paying and therefore there would be little movement because only one payment from the first tranche has been made to date and as PS mentioned, they are reviewing our second submission.

Mr. Mark: Okay. Could you tell this Committee and inform this Committee how much money—not moneys, but could you tell us for instance what is the number of or the amount of matters currently before the courts in relation to outstanding bills owed to contractors?

Ms. Mc Farlane: Can I defer that question to our Division Manager of Legal. If she has the figures before her, she will provide it to the Committee.

Ms. Molligan: Good afternoon, members. At this moment, there are eight claims that were instituted by contractors for breach of contract, moneys due and owing. A rough estimate of the total sum would be \$339 million.

Mr. Mark: Okay. Madam Chair, the final point I want to raise in this round I should say has to do with the database of the HDC and maybe the Managing Director can tell us what is the current database as it relates to the number of applicants? That is part one and two, given the salary structure in this country where we know a vast, almost about of 70 per cent of the population received less than \$7,000 or thereabouts a month in salary, and given the value that they have to pay for apartments or houses built by the HDC which could range between 1.5 million to even as high as \$2 or \$3 million, tell us for instance, one, the number of applicants in your database and how is the HDC addressing this dichotomous situation in terms of the value of property being constructed by the HDC, vis-à-vis the actual income, salaries and wages

received by workers whether they would be middle class, lower middle class or the working class. Can you explain that to us?

Ms. Mc Farlane: Member Mark, so we have Jeremy Campbell, our Divisional Manager of Corporate Services take you through our current database and its allocation and Romel Ramarack will take you through the construction side of it. Jeremy, over to you.

Mr. Campbell: Good day, panel, thank you for the question. So our allocation policy is based on the Cabinet Note that governs allocation which is September 25, 2008. That policy clearly states that allocation is based on a 60 per cent random selection draw: 25 per cent ministerial, 5 per cent, elderly and disabled and 10 per cent for the joint protective services. Now, based on the database as at October 12, 2022, there is 195,804 customers on the database. This database is managed by the Ministry of Housing. What the HDC tries to do is to assess persons and place them into units based on availability and the prices that are currently being afforded to the customers for certain areas.

What needs to be understood by the panel is that based on customer's age and their income, this will determine what and where they qualify for, also the preferences of customers. So for example, a customer may have applied for a single family unit 10 years ago but their income would have changed, they may have gotten older so now they may not qualify for that unit. Also at the point in time they may have applied for an apartment but now they may have gotten married, had more kids, they may want a single family unit and if the HDC does not have those units available, that is where, as member Mark would have explained, that is where the thing gets a bit tricky but we are guided by Cabinet Note and everything is based on availability and the assessment of the customers. I will pass you over to Mr. Ramarack on the construction side.

Mr. Ramarack: Good afternoon again, everyone. So regarding the construction in terms of the bands that Mr. Campbell would have raised just a moment ago, we construct in accordance to the bands that we would have received from the HCIP database and these bands in terms of construction would be amongst several programmes. So there are four main categories that we build to. So to firstly would be units in the vicinity of \$250,000. This would cover under the small and medium contractors' initiative and this will be for the lower tier of the small and medium contractor's initiative. The second band would be for affordable houses or affordable homes which is really a value between \$350,000 to \$500,000. This will straggle between the small and medium contractors and the Accelerated Housing Programme. The third category would be middle-income homes between \$650,000 to \$900,000. The majority of these homes would be done through our Accelerated Housing Programme and the last category of homes is really targeting for the young professionals which would be between \$900,000 to about \$1.2 million. This would broadly be covered by our design/build/finance programme and that is how we cover the different range of salary brackets within the HCIP database and through the execution of these houses through these different programmes.

Mr. Mark: Madam Chair, if you would allow me. What is your name, Sir?

Mr. Ramarack: Romel Ramarack.

Mr. Mark: Yeah, Romel Ramarack, I just wanted to ask you, given the inflationary cycle and challenges that we are faced with, given the high cost of imported materials, steel among other things, those bands that you have just identified, would it mean that for instance the Government will have to heavily subsidize because you would agree with me or I should put it another way. From the information I have and you can correct me, it seems to me that the cost of construction of final units by the HDC seems to be in the million-dollar range and you started off with \$250,000 and you ended up at about 1 and a half million. So I wanted to ask you to what extent we the taxpayers through the Government have to heavily subsidize contractors, HDC in

an effort to ensure that those prices that you have outlined can be accessible to those categories that you have identified?

Madam Chairman: Okay, so Mr. Mark.

Mr. Mark: Yes, Ma'am?

Madam Chairman: So quite frankly, I feel that question should either be directed to the PS or the Chairman or the General Manager and not the Divisional Manager, Construction Management.

Mr. Mark: Madam Chair, I am guided by you and you can direct.

Madam Chairman: So I do not know, maybe both the PS and I do not know if the Chairman is here as yet or the Managing Director, each of you all can have a turn with respect to that response.

Ms. Mc Farlane: Okay. Chair, I can go first. So the HDC's board has approved a pricing policy, it is a strategic measure of the board to, one, keep the prices down and in line with subsidies that are affordable or can be afforded by the Government. The policy broadly outlines the price of the units and the price of the units would be at the lower end of the cost, the value of the unit and with a maximum subsidy of 25 per cent. This is a decision that was approved by the board and it is before Cabinet for approval. So in other words—

Madam Chairman: Let me just ask something because one, and the PS made the point that the subsidy is a 40/60.

Ms. Mc Farlane: Correct.

Madam Chairman: Right? 40 per cent is the subsidy, 60 per cent is well, I guess what the cost must cover, the purchase price must cover. This is only with respect to purchases, this is not with respect to rentals.

Ms. Mc Farlane: Correct.

Madam Chairman: Yes.

Ms. Mc Farlane: And for the rentals as well, what the HDC has started doing, for every unit that is constructed, we obtain valuation reports from an independent valuator and that report indicates what should be the rental value and what is the market value and the HDC has determined that the subsidized amount should be no more than 25 per cent of the unit rental or cost going forward. So we are looking at reducing the subsidies that are usually provided by the Government to the HDC going forward.

Madam Chairman: Okay, so the question member Mark is really asking is how does that impact on your mandate to provide affordable shelter and associated facilities for low and middle-income persons.

Ms. Mc Farlane: Right, so we are still building within the band which is the band at which our customers qualify for, however, we are ensuring at the same time that the difference between the cost of the units and the price that we sell at, there is no more than a 25 per cent price reduction or subsidy by the Government.

Madam Chairman: Okay, so maybe I can just ask another way. How do you define low and middle-income persons? Because I thought that \$25,000 is what defined that catchment but I do not seem to get that impression from what you are saying with respect to your pricing policy.

Ms. Mc Farlane: Right. So the \$25,000 is the lower to middle-income price range, however, what you qualify for depends on a variety of issues. You can qualify for over 1.5 based on your age and based on your number of dependents. So the age allows you to qualify for more because you have a longer period of repayment and therefore that satisfies that criteria. However, we are ensuring that the cost of the units that we sell has no more than a 25 per cent subsidy for whomever qualifies for that particular unit.

Madam Chairman: And PS, I think it is your turn.

Ms. Ramlogan: Chair, we would have to defer and ask please to submit a written response, please.

Ms. Deonarine: Madam Chair, you are muted.

Madam Chairman: Yes, thank you. I was seeing a hand raised by Mr. Garcia, I do not know if that was an error or if he wishes to make an intervention here.

Mr. Garcia: Madam Chair, not at this point. I think it was an error. I am observing and listening and when the time comes, I will intervene.

Madam Chairman: Okay thank you, Mr. Garcia. Member Mitchell, I believe your hand is raised to make an intervention.

Mr. Mitchell: Yes, thank you, Madam Chair. I just wanted to clarify something. Now, I know the DPS spoke about a 60/40 split but the Cabinet-approved pricing policy was such where the Government would absorb the cost of the land, the cost of the infrastructure and the consumer, the applicant would pay the cost of the construction. A 60/40 split is really a talk of averages where it averaged Government absorbing I believe it was 60 per cent of the cost of the land infrastructure as well as the cost of the construction of the house.

So if I am to just refine Sen. Mark's question, having regard to the inflationary pressures now being experienced, is it the HDC's position that they are now going to seek to reformulate the pricing policy through Cabinet or they are going to seek ways to reduce the cost of the construction of the units?

Madam Chairman: Yeah, I think Mr. Garcia wants to make an intervention now.

Mr. Garcia: Yes, Madam Chair. It is the intention of the board to approach the Minister to take a note to Cabinet in respect of the pricing policy. The second part of it is that the HDC is seeking ways to bring down the cost of construction and we are in active discussion both with our internal construction department and contractors to reduce the level of furnishes and ready to go back to the old days where we provided a very basic house which allows people as time goes on, as in the Diamond Vale and a number of housing developments to outfit the house in the manner that they wish.

3.25 p.m.

That would reduce cost significantly. So, in summary, we are going to reduce the cost of construction, but that would not address it in its totality and we would be approaching Cabinet to come up with a new pricing policy.

Madam Chairman: Okay. So, Mr. Garcia, all this new pricing policy we are hearing about, it is not implemented as yet? That is for the future?

Mr. Garcia: Yes, Madam Chair. We cannot unilaterally implement a policy without the approval of Cabinet. There are existing Cabinet-approved policies and therefore, what would be required is for the Cabinet to agree to rescind the original decision and to replace it with the new pricing formula and strategy.

Madam Chairman: Okay. So, currently what exists is the 40/60 split? Is that correct?

Mr. Garcia: Yes, Madam Chair. But as Sen. Mark was pointing out, inflationary pressures and a number of other issues, such as COVID, the supply chain logistics, are all contributing to an upward trend in prices that has distorted the 60/40 split. And that is why we are seeking to approach the Cabinet with a new pricing policy.

Madam Chairman: Okay. Thank you very much. I now call on member Deonarine to make her intervention at this stage.

Ms. Deonarine: Thank you, Madam Chair. Thank you everyone for your responses thus far. I just want to follow up on one of the questions asked with respect to the aged payables, the

amount of moneys owed to contractors. Now, in your written submission on page 124, it was noted that as at 30th April, the balance on the aged payables, which is the amount owed to contractors over 90 days is \$1.018 billion.

Now, my question is: What is the HDC's strategy to resolve or to settle these debts? And I ask this in the context of being very much aware that a \$500 million loan would be going towards financing part of this aged payables. There is a balance. So how is the balance going to be treated with? When I receive the answer then I would ask the other question.

Mr. Garcia: I would like to respond to that Senator. Sen. Mark referred to the Minister of Finance's budget statement, where he said \$1.5 billion would be allocated to the HDC; \$500 million of that is to go directly into settling outstanding debts; \$500 million is to restart stalled projects. And if my memory serves me correct, there are just under 2,000 units in various stages of completion. One of the strategies to reduce the debt is to use that money to complete the units and then give us the ability to sell those units and increase our cash flows that will allow us to settle the outstanding debts.

The third strategy is for the HDC to get its customers to honour their commitments, that is, the various categories such as the people who are renting, the people who enjoy HDC mortgages, the people who are in rent-to-own and licence to occupy.

So, to sum it up, there are three mechanisms: one is the direct \$500 million; two is the sale of those stalled units; and three is to encourage our clients to meet their commitments. And we are confident that that would be sufficient to deal with this burden that we currently have.

Madam Chairman: So might I just ask one thing, Mr. Garcia? Would I be correct in saying, the assumption is that that debt, as it exists, would be ring-fenced and there is the expectation that there is not going to be an ongoing accumulation?

Mr. Garcia: That is the assumption, Madam Chairman. And why I say that is the assumption, because I think Mr. Romel in his earlier statement was talking about the various bands of construction. Then too we alluded on the whole question of the subsidies, where we would be building and pricing all the units closer to what we constructed them at. So that, that gap between what we sell and what we pay for the unit, we are going to close that gap significantly. We are going to, as I said, use the three strategies and that, all things being equal, should allow us to satisfy our creditors.

Madam Chairman: So, let me ask something. Has there been any sort of modelling of this? Because that is one part on the sales. I am hearing that you have a big debt with rentals. Okay? So tenant A owes you \$5,000. You need to collect that. But while you are collecting that, there is an ongoing rent if he is still in occupation. How does that factor into your debt management portfolio? Because what I heard your Managing Director tell us, that 5,000-whatever-plus people owe \$47 million. And if they are still in occupation, it is one thing for them to be dealing with the arrears. What happens to the current? How have you factored that into your strategy?

Mr. Garcia: Madam Chair, I would prefer that we submit that in writing because I do not want, at this time, to answer off the top of my head. I want to be as accurate and to give as full an answer as possible. So, I would ask that we be allowed to answer that in writing.

Madam Chairman: Okay. I just want to say one thing, Mr. Garcia, for the in writing. I think we are contemporaries. The younger people may not understand. Please, do not do your submissions in red. It is not easy on ageing eyes.

Mr. Garcia: I understand.

Madam Chairman: Thank you very much. Member Mark.

Mr. Garcia: We would comply.

Ms. Deonarine: May I continue?

Madam Chairman: Oh, sorry.

Ms. Deonarine: Thank you, Madam Chair. Thank you Mr.Garcia for that answer and thank you for your intervention, Madam Chair. Now, I am still not entirely clear in my head. I know some of the responses would be submitted in writing. I understand the three strategies that you have identified and hoping that all else is equal, Mr.Garcia, the intention is that the balance of this \$1billion, after the \$500million settlement has come from the debt, the balance would be taken care of by implementing these strategies. Do you have a timeline as to how long it will take for these three strategies to recover the additional \$500 million in debt?

Mr. Garcia: If I may, I would want to suggest that within the next 12 to 14 months, we should be able to clear all of the outstanding debt. So, for instance with the 500million, we have a strategy that says people who are owed a million dollars and less, that is contractors and service providers, we are going to settle them in full. Persons who are owed between 1 and 5million, we are going to give them, at this time, a percentage of what they are owed, with the recognition that the smaller service providers and contractors are the ones who are most exposed and need their debt to be settled almost immediately.

In that 14-month period, what we hope to do is to sit with the medium-sized and larger contractors, and come up with what we call a payment plan. So, there is a strategy. There is a time frame.

Ms. Deonarine: Okay. Thank you so much, Mr.Garcia. With respect to the restructuring exercise, at what stage of the entire restructuring exercise is the HDC currently at? Are you at the stage where you have a cost in mind on how much it is going to cost to restructure into the three subsidiaries?

Mr. Garcia: Okay. So, to answer the first part of the question, we have done the very preliminary works. We have registered the companies. We are in the process of appointing the boards and we are in the process of recruiting the staff. We are yet, at this point, to quantify in a definitive way because we have Pricewaterhouse working with us to come up with that question you asked as to what is going to be the cost. We should be able to provide that in the coming weeks—I would say give us three to four weeks—and we would be in a position to supply that part of the question.

Ms. Deonarine: Okay. Thank you. And my final question, before I allow my other colleagues a chance to ask their questions. Now, previous members alluded to the fact that a factor that the HDC has highlighted in their submissions is that you have a continued problem of the deteriorating financial performance of the HDC. What makes the HDC and the Ministry of Housing confident that this restructuring exercise, that includes the branching off into three subsidiaries, going to improve significantly the financial performance of the current structure? And also, what is the timeline we are talking about before you can actually see results of improved financial performance?

Mr. Garcia: Okay. I would go first and I would probably ask the MD if I leave a gap. So, the first is that these three companies would be laser-focused on their various responsibilities. So let us take the facilities company, for instance. The facilities company, through a combination of the management companies and the collection of rents, will allow us to have a balance between expenditure and income. And how are we going to achieve that? We have been in preliminary discussions with the Ministry of Local Government to take some of the responsibilities that the HDC now bears, such as the cleaning of drains, the collection of garbage and the cutting of grass in the public areas. That cost, which is substantial, if those responsibilities were to be handed over to where they rightly should be, that is to the regional corporations, would significantly

reduce the burden that HDC now carries for the maintenance of these properties. So, that is that company.

In respect to the construction company, because we are going to be driven in the sense of project management and project implementation, we are going to ensure that what we build is within budget and that what we build is sufficient when we sell to meet a substantial portion of that company's expenditure and with the new pricing policy, the subsidies would kick in, so at least we have a balanced budget.

In respect of the asset management company, we expect to have a slight surplus because some of the works that are now outsourced would be done internally, such as the preparation of deeds and various contracts. So the restructuring is supposed to relieve the HDC, as it is now, from that continuing financial deterioration as we put it.

Ms. Deonarine: Okay. Thank you, Chair.

Madam Chairman: Okay. Chairman Garcia, one thing. I do not want to put you to figures. You can submit that in writing. If you could give us an idea of the anticipated sort of savings you foresee for the facilities company, which you said that you are trying to hive off some of the functions, I would say, of cleaning drains, cutting grass, what kind of savings you anticipate?

The other thing is—so that you could give us that in writing—as regards the assets management company, when you are talking about things that are outsourced being done in-house, is it you currently have the capability to do it and the adequate staff to do it and it is not done? And if not, does it mean that you are going to be carrying then in your facilities company, a greater—not the facilities, the assets management company—staff, a higher staff component, in contrast to what exists, say, in your legal department? Because I see you have legal officers, you have conveyancing officers, title search clerks, and so on. You are going to then have to hire more people and therefore possibly have a higher administrative cost.

Mr. Garcia: Let me answer the first question, which we would provide in writing, what is the likely savings. The grass cutting, the drain cleaning and the garbage collection runs approximately at \$12million a month; \$12million by 12 is \$144million. So, we can say not all of it will go, but I would say a large portion of it, as much as 80-something per cent of it would go. So, we anticipate a minimum of 85 million to \$90-something million savings.

In respect to the asset company, a number of the deeds and the preparation of other legal instruments are really run-of-the-mill and do not require a huge amount of staff for it to be done. The more complex work, we would still continue to outsource it. So, at this point, we do not see the need to have more staff. What we see the need to have is to work smarter and to increase productivity.

Madam Chairman: Okay. So, can I ask: Why has it not been done now or before? Why you need a restructuring to do it? Because I share the view that a lot of the conveyancing is standard.

Mr. Garcia: Madam Chairperson, a number of the issues that the HDC now finds itself in is, one, what I would term, culture issues, a culture has developed; two, we operate in a highly unionized environment that at times specifies certain arrangements; and three, the focus that is required is not there. And that is why we are restructuring. Rather than the asset management company get caught up in day-to-day activities that does not necessarily concern them, will no longer form that part of their responsibilities and, to use the term, they become more laser-focused.

Madam Chairman: All right, thank you. I am going to call on member Morris-Julian. But just one last thing. I see you all mentioned something, and maybe your Managing Director

could answer that, about team building. And I come back again to the point just made up by your Chairman about culture, and so on. Have you all done team building? And when last have you all done that? Because you are carrying the same people into your various companies, so how do you change culture?

Ms. Mc Farlane: So the HDC intends to change culture through various methods. One such method is the employment or the engagement of a consultant who would look at our performance management systems. The systems would be extended to reward and recognition, as opposed to currently only being for performance management. We intend to roll out a series of programmes for our staff members. We have started some small wins, which includes like certificates of excellence. Two departments have since received same. And for Christmas and the upcoming years, we intend to start our employee engagement through our annual Christmas events, and so on.

In addition to this, the HDC has become, I would want to say, highly competitive. I know departments, we have started our digitization and I know that the staff is enthused about it. We have recently started having departmental monthly meetings. Each manager of a division is required to huddle on a weekly basis to look at the objectives and the goals and to see if they were achieved.

Finally, the HDC has started to have biannual meetings with its staff. We have had two so far. The last one, I think it was in August, where we had over 300 persons logging on Zoom and divisional managers presenting to the staff, where we are, what each department is currently doing so everybody is on board as to what is happening in the organization. So we are building that team spirit and trying to engage the culture change.

Madam Chairman: Thank you very much, Managing Director. Member Morris-Julian.

Mrs. Morris-Julian: Thank you very much, Chair. I have several questions, but they are all short. I am not sure if Ms. Mc Farlane or Mr. Garcia can help me. But the first thing is I would like to find out about COVID-19 and its impact on HDC and the Ministry of Housing. I know you all have moved forward and I see good work happening everywhere, but I still, of course, would like to know about what occurred during that COVID period time and how it was dealt with.

And secondly, I also have a question concerning the historical buildings, for example, in Maloney. I was happy to learn that you all are going to invest more money into the upkeep, et cetera, but I am also concerned about the historical tenets. When I say historical, I mean those who inherited from—great-grandmother died since and they are still there. What is the process for someone to move across to getting the apartment in their name?

And finally, with regard to areas like Malabar, for example, the abandoned houses, where there were unique agreements with what was an NHA at the time. So the land would be HDC's land and the house would be—we have a lot of abandoned houses. So I am wondering what is the process in the future moving forward with that? Thank you very much, Madam Chair.

Madam Chairman: So Managing Director, this may be for you, or is it for the Chairman? I think it may be for you.

Ms. Mc Farlane: So I would have our Divisional Manager, Corporate Services, answer the question with regard to the rentals at Maloney. Mr. Ramroopsingh will answer the question as it relates to the Maloney Gardens, and I would go with the answers for COVID.

So, as everyone may be aware, COVID did present challenges to most companies, with HDC not being an exception. However, it created a lot of opportunities for the HDC in its digitization thrust. Whilst it reduced the number of houses that were constructed and it delayed our construction programme, it also allowed us to review our business processes to become more

efficient. So that is my answer for COVID. I take you over to Jeremy to answer the question on the occupancy.

Mr. Campbell: Good day, members. Thank you, MD. So, the traditional rentals stock of the HDC is guided by the Cabinet Note of 1982, October 14. What it says is that persons who are in a low-income bracket are the ones who would have been allocated those properties. So, when we have to transfer a person from occupancy or transfer it to kids, we need to be very mindful of what those persons incomes are. We cannot put somebody whose income is 20,000/15,000 in a traditional rental. What the HDC has done throughout the years is that we would have assessed the families. So, for example, when you become an owner of a traditional rental, we have what is called a family particulars, which would have list the occupants of the units as well as the principal tenant. If the principal tenant passes away, because we would have already had that data, we would then assess them to see if their financial situation would have changed. However, we are not in a position to throw out the occupants but we do look at those factors before we just hand over the traditional rental stock to the persons who are there. What we try to do is allow for social mobility. So if the persons and the occupants are able to qualify for something else at a higher price plug, we would have those persons assessed and then put them on to the newer stock areas.

With respect to the units that are being seen as vacant, I do not know if the MD said to pass it over to Mr. Ramarack. Well, I could speak to the vacant units. So, as the member would have indicated, historically, the HDC had what was called the Infill Programme. This programme was one where the HDC would have had land and customers would have come into the HDC and would have been given certain unit types to construct either the three split-level unit or a flat. What would have happened, historically, is that persons would have been given a tenure of a three-year lease to construct the properties by. A lot of these units would have been sold under this programme. The challenge that arises, unfortunately moving forward, is that some of these persons may have a deed. So it is very difficult to divorce the deed from the land. But it is something that the HDC is actively working on and we are very aware of the locations where this is occurring. I would now pass it back to the MD.

Madam Chairman: Mr. Campbell, might I ask what kind of success you all have had in migrating, I would call them dependents of original tenants, from your traditional tenancies to other more modern ones? What kind of success you had? Because with the traditional tenancies you are paying like \$100 per month. “And if yuh lucky, we paying yuh light bill and yuh water bill too”. Okay? You are now saying, let me carry you to another—offer you something else at a higher rental, okay, more modern. But if I was so inclined, I would not still be in the \$100 per month. What kind of success? Have you measured that?

Mr. Campbell: So, it is something that we can provide to the team. But what we did, Madam Chairman, is that we would have built in certain metrics and KPIs to manage these things. So, for example, when somebody gets a traditional rental, they would normally be given a three-year term. When we do the assessment and we realize that X would have passed away and they want to pass it off to their kids and we realize that the person’s income is above the 1982 Cabinet limit of \$4,500, we basically would give them a one-year term. They would not get the three-year term.

3.55 p.m.

So within that one-year term they would be advised because of your income we cannot regularize or leave you in this particular state. We are going to assess you via TTMF or the bank, wherever they choose, and then see how they could transition to another unit.

We would have had numerous customers for example in Nelson Street who would have—

their incomes would have grown to 20,000 and they would have been allocated to various areas. But I can provide the data to the team as we move forward. Not in [*Inaudible*]

Madam Chairman: You track the data?

Mr. Campbell: We do, we do. We do.

Madam Chairman: Okay. So you have that?

Mr. Campbell: Yes, I do.

Madam Chairman: Okay. I am happy to hear that.

Mr. Campbell: No problem.

Madam Chairman: Okay. So I wanted to really find out, I wanted to switch a bit to your internal audit function. Okay? I see, yes, you have an internal audit department. I see you have some vacancies, okay. I think I have also seen somewhere in the submission that you had been making efforts to fill those vacancies. So if I can get an idea of where you all are with that? What the current structure is like in terms of bodies in positions?

Ms. Trim-Bailey: Hi, good afternoon. We have had a recently approved structure, and it has been increased significantly. We now have 12 internal auditors on our new structure, two seniors, one manager internal audit, and the head. And we are actually in the process of recruiting more auditors. This week the ad is going to go out and we are going to have more bodies into the internal auditing department.

Madam Chairman: Okay. So I mean it is really comforting to see that you have increased your number of staff but your current staff right now, your structure is not entirely filled. Your current staff right now, is it sufficient to carry out your audit functions?

Ms. Trim-Bailey: It is not sufficient moving forward. So as I—

Madam Chairman: When you mean moving forward, you mean in the three companies, or you are talking like next week?

Ms. Trim-Bailey: Yes, like next week, because as I mentioned we have the ads going out this week, and we are to receive three new bodies to come in to assist with the internal audit activity.

Madam Chairman: Okay. So how has your historic deficiencies in staff affected the audit department carrying out its internal audit function?

Ms. Trim-Bailey: Well, we basically have three categories of audits that we do. We do certified pension and leave records, and pension and certified records of statements. This will be for the retired employees both monthly and daily. Then we have post-implementation reviews, where we would look back at all the recommendations that would have been approved by the board and make sure that the process owners would have implemented them as intended. And then we have audits that come through the office of the MD, the audit committee, and the board. So that would be in our annual audit plan. So with more bodies, sorry—you were going to say something? Okay, with more bodies we would be able to do more of the annual audit plan audits, which is based on risk.

Madam Chairman: Okay. So I am so happy to hear you Ms. Trim-Bailey talk about your annual audit plan, because while you all spoke about the review of the audit charter, in the submission I found it was silent on the annual audit plan. So that what I can ask is if you can provide to the Committee what the annual audit plan is for fiscal year 2023? And also provide what the annual audit plan was for fiscal 2022, what audits you completed, and what were the findings? Okay? And how those recommendations have been implemented.

Ms. Trim-Bailey: No problem. And you want those in writing, right? Yes?

Madam Chairman: Yes, yes, yes, please.

Ms. Trim-Bailey: No problem.

Madam Chairman: Okay. So that would assist us considerably in understanding how the audit function works. Right. So, at this stage I invite member Bodoë to ask any questions which he may wish to ask.

Dr. Bodoë: Thank you. Thank you, Madam Chair. I just want to take us back to a fire that took place at Charford Courts on Charlotte Street in June of this year. I am relaying that to a newspaper report that indicated that the HDC had spent almost \$34 million on a fire suppression programme, at some 65 apartment buildings over four stories high. Of course, an unfortunate incident but one of the issues that the HDC must be concerned about in terms of safety and fire suppression. So I just wanted an update as to whether that—and it was indicated that there will be some retrofitting taking place with some of these older apartment buildings. So I do not know, through you Chair, if I can get an update as to where we are in terms of this retrofitting, and in terms of the expenditure that would have been incurred. Is that possible to get an update?

Madam Chairman: So I think that MD that may be a question either for you or that you can direct to the relevant member of staff.

Ms. Mc Farlane: Sure, Chair. I would have Larry Mc Donald take this question.

Mr. Mc Donald: Good afternoon again, Chair, and members. The HDC would have undertaken a fire suppression programme sometime in to 2013/2014. Twelve zones were identified. Zones one to four would have formed part of the first zone, and they would have been substantially completed at the time. But treating with what we consider to be the highest priority buildings at that point.

However, the financial circumstances of the company coming right after that programme, that first phase of that programme saw that programme halt due to a simple financial inability to be able to move forward with it. It has recently been back on the table and the Project Development and Oversight Division has been working with the Trinidad and Tobago Fire Service to try to make sure that we are doing the right things, and we are finding an optimum solution to make sure that we could make all our buildings, especially the high rise buildings, safe for occupation, and to protect against unwanted fires.

It is something that I consider to be among the top priority things for the company at this point. Having said all that, I would like to ask that we provide the details of the plan, and the timeline for the execution of it to the Committee in writing at a later date please?

Dr. Bodoë: Thank you, Madam Chair. And you would have answered the second question which I was meant to ask in terms of the details. But could you perhaps tell us Mr. Mc Donald, whether in view of the unfortunate incident at that particular complex, Charford Courts, whether that particular building has now been retrofitted with the appropriate fire suppression equipment and appliances and so on?

Mr. Mc Donald: That building has not been yet been retrofitted still, but as a six-story building at that height it remains among the very top priority for us once this programme gets on the way again, which we hope to be very soon. But it has not been so retrofitted to date.

Mr. Bodoë: And for the sake of the public and those residents in that particular building who obviously would be quite anxious, could you clarify in terms of high priority a time frame perhaps? Are you in position to commit to that?

Mr. Mc Donald: I am not in position to give a definitive time frame. However, as I said, that building is likely to be among the first. Once the programme restarts it will be among the first ones to be attended to. Because of the issue of the fire that happened and because it fits the criteria for what we consider the highest priority buildings to be; the most exposed.

Mr. Bodoë: Thank you. Thank you, Madam Chair. Thank you.

Madam Chairman: You are finished Dr. Bodoie?

Mr. Bodoie: Yeah. For now, thank you.

Madam Chairman: Yes. Yes. Member Mark.

Mr. Mark: [*Inaudible*] Madam Chair, are you hearing me?

Madam Chairman: We are hearing you vaguely but we are not seeing you either.

Mr. Mark: You are not seeing me? [*Laughter*] I do not understand why.

Madam Chairman: Okay so maybe I will see if we could fix your technical challenge on this end and I will revert. Okay, we have you now.

Mr. Mark: Madam Chair, I have a few questions I would like to with your leave to seek clarification on. HDC is reported to have spent some \$126million in carrying what you called—

Madam Chairman: Member Mark.

Mr. Mark: Yes Ma'am.

Madam Chairman: Just one minute. I think there is a technical challenge on this end that we are barely hearing you. So I am going to asking if you could just hold a while. I am having them address it on this end, and then I will call you back. Okay.

Mr. Mark: Okay.

Madam Chairman: I am sorry. Yes, member Bodoie is your hand up or is—all right. Okay. If I could just ask the managing director, she spoke about the digitization thrust, which COVID advanced, and I see, I think it was in 2017 where you all had some incidents with your computer crashing and loss of records. And I wanted to find out what were lessons learnt, if any? How do you with this digitization thrust protect yourselves from such kinds of recurrences? If you have redundancies? And what is, sort of, your risk policy in terms of your reliance on digitization?

Ms. Mc Farlane: So the HDC intends to heavily rely on digitization for efficiencies and effectiveness of our operations. Our risk policies are basically and essentially to mitigate the risk that can occur if data is lost. In order to do this the HDC, and arising from the situation in 2017, the HDC determined what was the main cause of the data loss, which was multiple hard drive failure. And the HDC looked at the impact of the loss where it really centered. It related mainly to HR and finance, and what recovery efforts were implemented. And as a consequence, the HDC has reviewed its preventative maintenance as well as the storage of the data in a location where it can be recovered.

So in terms of the risk policy we looked at the data recovery sites, we looked also at SLA agreements with the vendors. We looked at the maintenance in terms of parts and so for our systems, and so far based on what has been put in place we have not had a reoccurrence of such again.

Madam Chairman: Thank you very much. And that carries me back to Ms. Trim-Bailey in terms of you indicated to us that a lot of your audit function is in the area of certified pension and leave records and so on. And from what the managing director spoke of the failure affected HR. How have you been able to do your audits coming forward? Because I would expect it would have affected information to do these certified pension and leave records for former and employees. How has that and how have you dealt with that challenge for your internal audit?

Ms. Trim-Bailey: Thankfully, Madam Chair, it actually did not affect us.

Madam Chairman: It did not?

Ms. Trim-Bailey: No, it did not because most of our pension and leave they usually start from to 2005. So the previous years that the employees would have worked would have been audited all ready. So that loss of data did not affect us in the current term.

Madam Chairman: Okay. And while I have your ear, might I ask you to explain

something—

Ms. Trim-Bailey: Sure.

Madam Chairman:—that exists in the submission that I have a little trouble in understanding. And it says:

HDC indicated that audit investigations are conducted upon request and that no such requests were made of the internal audit department in the recent past.

Ms. Trim-Bailey: Right. So in terms—

Madam Chairman: Could you explain to me what that is saying.

Ms. Trim-Bailey: Sure. We interpreted that question to be fraud, if there were any fraudulent investigations. I cannot remember if I mentioned this earlier, but usually our audits would come through the office of the managing director, the audit committee, or the board. So in the recent past we had not had any such request regarding any fraud investigations.

Madam Chairman: Okay. I understand. And in terms of your audits are they just assurance audits or do you do advisory audits also?

Ms. Trim-Bailey: We have done mostly assurance.

Madam Chairman: Okay.

Ms. Trim-Bailey: But we can do advisory in certain aspects, just to make sure that we do not cross the lines of our independence.

Madam Chairman: And do you have any plans to do any advisory ones within this fiscal year?

Ms. Trim-Bailey: No. Not any advisory, only assurance.

Madam Chairman: Okay. All right, thank you very much. Okay, so let us try member Mark again. Member Mark? Okay so it appears that his challenge is not yet addressed. So I move to member Deonarine, I believe you have some questions to ask.

Ms. Deonarine: Yes. Thank you, Madam Chair. I just want to revert to one of the issues that were mentioned very early on during the conversation, and I know it was mentioned that the amount owed by renters at present for traditional units is \$47million. But we did not get the figure for lease-to-own, rent-to-own, and commercial. So is it possible to get an aggregate figure of the amount of rent owed to the HDC at present?

Ms. Mc Farlane: Sure. So the amounts relating to licence to occupy is approximately 1,000,634, the amounts for rent-to-own approximately amounts to 162,000, and the amounts overall to the HDC at this time is—I would have to provide that information to you as I do not have a total summary on this report.

Ms. Deonarine: Okay. We will gladly accept that in writing. But what I also noticed in your submission as well was that you all alluded to the fact that there is a low acceptance of current rental stock. Could you elaborate on that and explain to the Committee what exactly that means, and also what are some factors contributing to this?

Mr. Campbell: Hi, good day members. So when you say demand of low rental stock, I am not sure if I quite understand, but just to give some context, where we have traditional rentals these are in areas that were built since 1945. For example in 1945 is where the Independence Square development was built. Most of the traditional rentals as advised by the MD are mainly in Port of Spain, then we have in Maloney, and then we have Couva, and then Embacadare, Lady Hales in San Fernando. So I am not sure exactly the question, but these are where we have traditional rental stock.

The majority of units that we have right now we are trying to sell. Now obviously, HDC has a social mandate so we would put customers in what is called a temporary rental until they can qualify to purchase those new units. I am not sure if that answered the question.

Ms. Deonarine: Not entirely. In your submission, you all would have noted that there are three challenges faced in the distribution of homes. One is remedial works, the second one deals with defects identified during the customer inspection, and the final one was low acceptance of current rental stock.

Ms. Mc Farlane: Okay. So I could provide some colour to that question. As Jeremy would have indicated, our current rental stock are traditional rental units and therefore there is little demand for those units because of the areas and the [*Interruption*] Yeah, because of the type of units and the location.

The HDC has embarked on a social housing programme that will be rolled out in the coming periods where we are increasing our rental units, our rental units in various areas. One such area is Citrus Growers and Almond Court. So we are looking at creating modern rental units and to add to our current stock of rental units.

Ms. Deonarine: Okay, thank you. With respect to stalled projects, you all gave some information on stalled projects in annex three of your submission. And what I noticed is that of the 40 projects listed in annex three categorized as stalled, majority of them were at least 60 per cent completed. So my question is, how soon could we expect these stalled projects to come back on stream and to be completed? And what are the cost overruns? What are the length of time these projects have been stalled? And the final question is, what are the cost overruns incurred from these projects being stalled?

Madam Chairman: So member, do you want an oral answer for that or that is something we will take it in writing?

Ms. Deonarine: We could take it in writing.

Madam Chairman: Yeah, because I think for a comprehensive response we should take that in writing. Thank you very much. Do you have another question member Deonarine?

Ms. Deonarine: No.

Madam Chairman: Okay, not for now. So I believe I saw member Mark. Yes. So Member Mark we will take you now. I think the problems have been rectified.

Mr. Mark: Are you hearing me, Madam Chair? Thank you very much, Madam Chair. Madam Chair, with your guidance you will tell me if the answer should be in writing or they can facilitate an answer immediately. I wanted to ask Mr. Garcia or the managing director whether legislative changing would be required given the restructuring of the HDC with the formation of these three subsidiary companies, or would there not be any need for legislative changing? I just want to get clarification on that.

Mr. Garcia: Madam Chair, I want to answer that. The board sought advice, and the advice was, given what we were doing it was within the mandate of the HDC to form subsidiary companies and therefore there was no need for any amendment to the HDC Act.

Mr. Mark: Mr. Garcia, would this require—with the unions that are now entrenched at HDC and given the formation of these new companies, would these unions be automatically recognized in these three new companies? Or would they have to complete in forming let us say new operations within those three new companies? I am just trying to determine that.

Mr. Garcia: What is envisioned is that there will be no change in staff complement at the HDC. However, these three companies and we would have seen the ads in the newspaper, would advertise all of its positions, and any member of staff the HDC or of the general public is free to apply. Therefore, in this arrangement if the workers of that company or those companies want union representation there is a process to go through. But there is no automatic recognition of this existing trade unions that currently represent the workers of the HDC.

Mr. Mark: Mr. Garcia, would these workers who are going to be hired in terms of tenure

of security, are they going to be on contract or do you anticipate permanence over a period of time, or is there going to be, you know, a contractual arrangement in these three new companies?

Mr. Garcia: In the first instance, there will be contractual arrangements. But what was agreed is that at once the boards are appointed, and the general managers, and the core staff are in place, they would be charged with developing a business plan for a two-year period, and within that two-year period the questions of tenure of employment, and form and fashion, would be thrashed out in that arrangement of the board, the general manager and the core staff, working with a business plan that has been developed with the help of a consultant.

So I do not want to be premature and say the staff would be contract or permanent. In the first instance, yes, it will be contract. But as we get in to operationalizing the companies, we would be guided by business plan and the direction that comes out of that plan.

Mr. Mark: Do you think, Mr. Garcia, at the end of the day workers who are currently engaged at the HDC once they reach retirement age, do you anticipate replacement or do you think there will be almost like attrition through retrenchment? And therefore, what you would have is these three new companies really replacing ultimately what you currently have as an HDC? Do you anticipate any such development in the future?

Mr. Garcia: At this point, no. And I say at this point. We have been in extensive discussions with the unions. The manager director has held lengthy meetings with both unions. So too, has the Minister of Housing and Urban Development. She has met with the unions and given certain assurances. So that at this point all I can say is that, we do not anticipate any retrenchment, attrition, or any form of job loss.

Mr. Mark: Okay. Madam Chair, just want to ask either Mr. Garcia or the Managing Director, this is a current issue. Can the HDC indicate to this Committee at what meeting of your board was a decision taken to construct three apartment buildings in a school zone on Todd Street in San Fernando? Can you clear the air on that?

Mr. Garcia: I will take that question. As Chairman of the board, I can say that no such decision has been taken to construct three apartments. What decision has been taken is to examine to possibility and therefore to engage in preliminary assessment to see if the sight as many other sites, we are currently looking at sites at Citrus Growers, at Laventille. We were looking at sites in Arima; we are looking at sites in Couva, in D'Abadie, throughout Trinidad and Tobago. What I can assure this Committee is that the HDC adheres to the law, and the law prescribes a process that the HDC has to engage in before it builds any units.

4.25 p.m.

So, to sum up, no such decision has been taken to construct. What the decision has been taken is to do the assessment and appoint the manager to come to the board, with her recommendation and the board would either accept or reject it. And we expect that management who are accustomed with this process will adhere to the processes that govern the construction of HDC units.

Mr. Mark: Mr. Garcia, can you advise this Committee or inform this Committee, why that site was chosen by the HDC when lands are available on the outskirts of San Fernando for home construction, like Golconda, Union Hall, and Debe? Can you share with this Committee why that site was chosen?

Mr. Garcia: And one of the things that the HDC is doing is seeking to build houses where the demand is greatest. In San Fernando—in the city of San Fernando there is a high demand for houses. What we do once there is available state land that is our first resort, once there is state land and that is available we do the assessment to see if housing can be provided. The Committee should know that we have currently over 191,000 people on our database and

therefore, with a finite amount of land—so we do not have land that is infinite, therefore, wherever land and I use the word state land is available, the HDC seeks to build. We are also guided by where the demand is the highest. So, yes there is land in Golconda, yes there is land in Moruga, yes there is land in Blanchisseuse, but we will be hesitant to putting up an HDC development in Blanchisseuse because the demand is just not there. Whereas in San Fernando in that particular location, there is a high demand for housing in the city. We have other sites that we intend to develop—there is Lady Hailes that we are looking at, we have completed the development of Carlton Lane. So, the perception that we simply chose a site arbitrarily, no, we did not, there is a process, and as I tell the staff the process sometimes at the end of it says, no, we cannot build, we respect the process. And all that I would say with Todd Street, is let us trust the process—let us trust the process.

Mr. Mark: Madam Chair, my final question to either Mr. Garcia or the MD, Managing Director: Is the HDC aware that both the Ministry of Education through its Permanent Secretary—I have a copy of the letter with me, as well as the planning Ministry—Town and Country have rejected this proposal to erect apartments on that particular site that you all have identified and there are several stakeholders in the community that have expressed their reservations about this particular development—can you share with us your perspective, given those realities?

Madam Chairman: Okay, so member Mark, I just wanted just before you answer, Mr. Garcia, I just wanted to be a little careful about the choice of word when he use “identified” because all I have heard—I am hearing from the Chairman is, it is something that is being explored—

Mr. Mark: Okay.

Madam Chairman: —and “identified” may have a different connotation.

Mr. Mark: Yes, I am guided by you Madam Chair, thank you.

Madam Chairman: Okay.

Mr. Garcia: Re the two letters which I do not have in front of me, but I would trust my memory, and you will guide me if my memory is in fact failing. The letter from the Town and Country was not a rejection of application, the letter speaks to an enquiry and in that letter if I recall in either the second or the third paragraph, it speaks to the site being zoned for urban development and that if the Ministry of Education has no objection they would—we can submit an application. That is the first of my recollections. In respect to the Ministry of Education, I have seen in the public domain, sometimes people have letters that I do not have, a letter from the Permanent Secretary that says that the Ministry has plans for that site. I have in my possession, a letter written by the Minister of Education, saying that the Ministry has no objection. Based on that letter, and based on the Town and Country letter the HDC submitted an application for outline approval and that is still pending. And that is why I am saying, one, HDC respects the law and two, let us trust the process.

Mr. Mark: Madam Chair, my final, final question to my colleague, Mr. Garcia. Mr. Garcia, can I ask you—the letter from the Ministry of Education, which I can pass on to the Chairman and your good self, is dated sometime, if I believe the 23rd of March, giving the no objection, but the one from the Permanent Secretary is dated the 27th of July so, I myself am a bit confused as to which letter is the HDC working on? Is it the March letter, or the letter that is dated that I have in my possession 27th of July, 2020—

Mr. Garcia: Madam Chairman—

Mr. Mark:—I am not sure—

Madam Chairman: Just now. Member Mark, one, at this stage, one, this is not fully the subject of the enquiry, I have allowed it because it is in the public domain. But if I have understood what the managing—what the Chairman—I am sorry, Mr. Garcia, what the Chairman has said thus far, he has seen in the public domain a letter, which I believe is one of the letters you are talking about, that he does not have in his possession, he has another one in his possession. That is the one that he is working with. So that, you know, based on the responses thus far, you know, the question that you are asking, I think, is not fair. He has said what his position is based on something that he has, you seem to have two things. So, I cannot see how he could answer his working on one that he said that he has no knowledge of, except that he has seen it somewhere out there but it has not come to him, if I understand.

Mr. Mark: Madam Chair, I am guided by your good self, but I wanted to just put for your consideration, and I will forward it to you and you can forward it to Mr. Garcia. So, Mr. Garcia, if he is not aware of this letter, I want to make him aware through you and our committee. I thank you very much, Madam Chair.

Madam Chairman: Okay, thank you, member Mark. Okay, so I see—I will take member Julian and then member Mitchell.

Mrs. Morris-Julian: Thank you very much, Madam Chair. Through you Madam Chair, I would just like to ask the Managing Director. In my particular area, and I have noticed it coming up from time and time again in other areas, the management companies and developments with apartments and townhouses where a monthly payment of I think \$200 is deducted and placed in escrow, there seems to be some delay. Is this a nationwide delay or, is this just for certain developments? I would just like an update regarding that.

Ms. Mc Farlane: Thank you. So it would not be a nationwide delay. We have over 85 management companies which we are working with, specific to your circumstance, I would have to get the information and give you feedback to that specifically.

Mrs. Morris-Julian: But I am really asking generally, when there is a delay such as that what is the cause—with the management companies, the escrow?

Ms. Mc Farlane: Well, in order for the management company to function, a board must be in place. Oftentimes the HDC has difficulties in getting residents to step up to run the companies and perhaps that is the reason why there is an issue with your company.

Mrs. Morris-Julian: Okay. Now, I have one more question regarding the HDC maintenance units in addressing defects. What is the normal procedure because someone just from the public spoke about Edinburgh South housing unit apartments; mold, plumbing, sewage issues. And the areas I was speaking about besides Belleverde—not Belleverde, sorry—Nepuyo, would be Real Spring Valsayn, and Edinburgh South developments.

Ms. Mc Farlane: All right. So the process for repairs or remediations to unit is as follows. The homeowners are required to provide to the HDC a list of defects within three months of taking over the unit or the keys being handed over. From that initial list of defects—the HDC then has to enter into a procurement exercise where a scope has to be ascertained and then there is the process of inviting contractors to bid to make the repairs for the homeowners.

Mrs. Morris-Julian: Through you Madam Chair, to the Managing Director. What is the average response time? For example, if I have an issue and I report it after—how long will it take to be seen about, assessed?

Ms. Mc Farlane: Sure, go ahead.

Mrs. Morris-Julian: That is it.

Ms. Mc Farlane: How long will it take? Okay. So it depends on many factors. Sometimes, we may not have the required staff at the time due to the demand or the workload,

that is one factor. The other factor can be after visiting the site or the units, we have to engage in a procurement process and sometimes this can be lengthy. We would provide site—we would create profiles where we would invite persons to tender on our e-Tender platform and many times, the response rate is low and so we would need to go back out again. Barring that, if it is not a complicated issue, our staff would conduct the remediation of the units.

Mrs. Morris-Julian: Thank you very much, hopefully, the maintenance company will be able to handle all these in the very near future. Thank you.

Ms. Mc Farlane: Okay.

Madam Chairman: I just wanted to ask the Managing Director because it is something that also bothered me when I saw your matrix for the application process: there are no timelines. You have a matrix, I think it is appendix one, there is no timeline; your answer just now, again, no timelines. I would expect there is some aspiration, okay, or some intention so that when you do these charts, there is an anticipated best practice time that you are aiming for. Other things may happen in an individual case, but I do not seem to be getting that. So if it were, that my maintenance is something that you had to get tenders for, what is the anticipated time? It might vary in a particular instance, but our target is it takes six weeks. I am not getting that in your submission or in this discussion.

Ms. Mc Farlane: Okay, I will have Manager of Procurement and Contracts answer this question.

Madam Chairman: And just before you pass it out to him, I do not know who will also address the issue I said about the matrix from my application going in, to my going into a home if I had everything ideally done. What is the anticipated time frame?

Ms. Mc Farlane: Okay.

Madam Chairman: Okay, or shortest time frame, then?

Mr. Rondon: All right. Okay, good afternoon everyone. So from a procurement context at this point in time, we have an average of a 55-day turnaround time frame in our tendering from the initiation to the award and this involves all our tendering—our large contracts, small and medium contracts and the remediation works. On the remediation side, we have an average turnaround of two weeks with regard to inviting individuals and to get the response. As highlighted by the MD, we have been—there is this myth out there that contractors are banging down the door of the HDC for work, but when we send out our tenders, we are not getting that corresponding response from them and that is largely in part to some of them when we do our analysis, and we call back to them they have indicated either the HDC is owing them, the contractor, some sum of money, and they really and truly cannot carry this project at this point in time. So what we are actually doing is trying to improve and we are recognizing the payment aspect to improve the response time. So we do have a two-week time frame for some of the remedial works and without barring the issues with regard to non-response or low response, we definitely turnaround. Additionally, outside of the tendering aspect, we have the internal staff to do the remediation once we have the materials provided to our internal staff.

Madam Chairman: Thank you, and as far as the timelines with respect to the application to the “I am in a home” so that what I could ask is if that schematic could be reworked, and be submitted in writing, I would be grateful. Okay, so I call on member Mitchell, after member Mitchell, member Deonarine and then member Mark. Member Mitchell.

Mr. Mitchell: Thank you very much, Madam Chair, I have a number of questions but the first one, I want to take some issue with the number being bandied about of 190,000 persons on the database. Now, I know, I think previously, I am not sure if it is still with the Ministry of Housing, and I also know that the HDC is focused on being digitally driven. But do you not

accept—and this is from my experience—but do you not accept that that number could be very misleading? In my experience, at least three out of 10 persons, if they are called to the HDC to undergo an assessment, they are found to be ineligible in accordance with the criteria. So the question is, when last have you scrubbed the list to see whether persons' circumstances have changed in that they have purchased homes or they have by some other means gained interest in property, so that this list could truly reflect the demand for low-cost housing in Trinidad and Tobago? That is the first question.

Mr. Campbell: Okay, good day member, I could respond to that question. So it is an exercise we actually started. What we have realized from the data, so, currently, as of now October 12, 2022, that is the last date that we got the data from the Ministry, which is HAFS, there was 195,840 persons. When we analyze that data, when we did the HAFS relaunch some months ago, we realized that there are persons on the database that are 114 years old, obviously, we understand that these persons are probably deceased. So what we started to do, we started to have three criteria to clear up the list. One, persons that would have passed away; two, persons that would have had property; and three, persons who are not citizens of Trinidad and Tobago. Now, you cannot be allocated a home if you are not a citizen, but persons still apply—on the database it is captured. What we have been advised by the Ministry is that this may take them some time because they do not have the information as to who has property. That is something that I think they need to liaise with the Ministry of Legal Affairs, but it is something that we have started to work on and we believe the same thing, that the numbers may actually shrink once those three criteria are addressed.

Madam Chairman: Member Mitchell, if you may just permit me—

Mr. Mitchell: Sure.

Madam Chairman:—one intervention and based on that point? That application form—

Mr. Campbell: “Mm-hmm.”

Madam Chairman:—could it not be used as a better tool to assist you in doing a sifting, in that, you asked somebody to say whether they have land and they tick yes or no, but you come back at some later stage for a verification. Okay, could all of that not be dealt with in your application form? So that the application form is supported by the requisite affidavit? There is some other requirement I cannot remember that is there that—you know, you could, I would suggest that you could ask people to send the supporting documentation so that your database, does not capture me just because I have sent in an application. So the scrubbing is one part in terms of, you have my application there 15 years, whether I am still interested, whether I still qualified or not, but even from the commencement. So, has there been any consideration at all, at reviewing what your form asks an applicant to submit?

Mr. Campbell: Okay, so thank you, Madam Chair. So basically, the data that we do capture which is managed by the Ministry, it actually shows how much customers applied for certain—that are within a certain income range, where they live, where they would have wanted to apply to and that kind of data. So, that data actually would assist the HDC moving forward with where we can construct units and at what price point. So, it is an exercise that we are actually currently working on getting done where we utilize the data. So, that is something that we are actively, currently working on, Madam Chair.

Ms. Mc Farlane: So, Madam Chair, I would like to further add to our HAFS database, the HAFS database that is owned by the Ministry, the HDC is currently in an exercise to revamp that entire system. It was a manual system whereby applications were made manually and then data entered. It is now real time and automatic—persons who are interested in applying to HDC for homes go to our database and make their applications online. Secondly, the second phase of

the automation of this or the digitization of the HAFS database is where the HDC would be engaging the Ministry of Legal Affairs to determine if there is some sort of sharing of data in terms of death, and in terms of property ownership, whereby the data that is on their database can be swept, or it can sweep the HDC—the HAFS database, to remove these applicants at least once a month. So we have started a programme with that, where the HDC would be co—where we would be in agreement with the Ministry of the Attorney General and Legal Affairs to have that database updated automatically once a month.

Madam Chairman: Thank you so much for the indulgence, member Mitchell. Over to you.

Mr. Mitchell: Thank you very much. The second of four questions is, it really does pain me and pained me as a Member of Parliament to learn of these tenant landlords, persons who are in receipt of a tenancy from the HDC paying \$100 rent or \$500 rent, and then subletting the same units because they may have migrated or they may have gone into other accommodation, perhaps even owned accommodation, and they are subsequently subletting these units to—persons who are deserving of homes, for prices upwards of \$2,000 a month, \$2,500 a month. What have you all put in place to stop this practice?

Ms. Mc Farlane: So, I will take part of the question and our Division Manager of Legal will take the other. So, the HDC engaged—was engaged or still is engaged in a rental verification exercise. I can provide to the Committee, the percentage completion of this exercise, we have also updated our lease and rental arrangements agreement with the tenant and we have also started enforcing—well, illegal occupation of our units as it relates to these situations. Kimberly, I do not know if you want—you would like to add anything else?

Ms. Molligan: Good afternoon again, members. So in instances where the HDC determines that there has been an illegal arrangement and somebody is in occupation of HDC property, and paying rent to a third party, the HDC assesses this person in occupation and takes active steps to either regularize the person or, to have the person evicted based on the conditions that surround the occupation and based on whether or not the person is “a good tenant” meaning, if there are instances where the person in occupation is creating a nuisance or otherwise disturbing the peace, then the HDC will take action to terminate that—well, to have the person quit the property, and to then also terminate the relationship between the HDC and the lawful tenant who is not in occupation.

Mr. Mitchell: Okay, so just to follow up on that. I know it might be very difficult, but is it not possible to have—to provide three-year leases to your tenants and have them come in and be assessed every three years to determine whether or not they still qualify for HDC accommodation?

Ms. Molligan: Yes it is.

Mr. Mitchell: Or whether or not they are in—yeah, go ahead.

Ms. Molligan: Yes, it is, and in fact, the term of the rental agreement that the HDC offers, is three years or for a shorter period. Of course, this is somewhat of a new initiative. So, whilst we are doing and implementing the assessment at that stage for the new agreements, we are still working backwards to deal with situations where there may be tenancy arrangements that were not renewed when the HDC was calling upon persons to renew them. So, it is a two-tiered operation.

Mr. Mitchell: Okay, thank you. And the other issue I wanted to touch on—touch on both of them, it has to do with one of your largest assets, your receivables. So, if I could put it out in a two-part question, is there still an auditing company auditing the payment records of your clients? If yes, what are the terms of reference and what is the status of those audits? And

secondly, I know that one of the biggest bugbears that inhibits the HDC's ability to convert to mortgages or to complete the conveyance of your properties and receive your moneys would be your deficient land management practices. So, the vesting issues, the outstanding statutory approval issues, what is the HDC doing presently, apart from separating your companies and having them focused on each activity, what are you all doing now, to monetize those receivables or quickly liquidate those receivables I should say, having regard to these two issues, the auditing of your records and your land management outstanding issues?

Ms. Molligan: Okay, thank you member, I would take the first two questions. Yes, there is a company that is reviewing our receivables. Currently at this time, 2014, '15 and '16 have been completed and from 2018 to present, it is approximately 60 per cent completed. In terms of the status—in terms of the receivables, what HDC is doing currently to address the receivable issues, the HDC has started due to COVID and due to most financial agencies giving moratoriums on payments, what the HDC did instead of the moratorium would have been to—well, not actively engage in evictions. The HDC however, has started a programme which we have seen—which has borne some fruit, where we have segmented the recoveries portfolio, east, west, north, south, and we have cherry-picked the worst—the communities with the highest delinquency, and of that community selected five of those individuals who have not paid their rent. This has borne—the result of which has been that there have been one or two evictions with the remaining occupants bringing in lump sum payments, as well as entering into arrangements to continue with the current rental and to make planned payments for the back arrears. In terms of the—Kimberly, would you take the third question? Oh, Vidale, sorry for the approvals, my apologies.

4.55 p.m.

Mr. Ramroosingh: All right. So, how the HDC is dealing with the land management and statutory approvals is, basically, two-phase. What we have in the first instance is that, internally, we have a committee comprised of core key members with the various competencies who are focused on chasing statutory approvals for both legacy and ongoing projects. So that is a committee that we have formed, and we meet regularly with updates and action items for what is required for statutory.

The second phase of what we do is we, the HDC, partake in a heads of agency meeting, which comprises of members or, at least, the heads of agencies of the majority of the statutory committees, where we deal with the bigger issues than the micro or, as I like to call it, the HDC's internal committee cannot sort out. So we are continuously working and trying to resolve the issues on the statutory approval and the land management.

Mr. Mitchell: Okay. Because, I mean, you know the problem is two-fold. On the one hand, you have people who are not paying or are not paying what they are supposed to pay, and the HDC is not aware of the outstanding debt. And then you have some people who have been very disciplined, making their payments, completed their payments and would now like the conveyance of the property into their names so they could benefit from the equity, they could hand it down to their children, and they are simply unable to do that because of these deficiencies. You are aware and working towards rectifying those things?

Mr. Ramroosingh: Yes, member. We are aware and we are working towards rectifying.

Mr. Mitchell: Okay. Thank you, Madam Chair.

Madam Chairman: Thank you, Member. Member Deonarine.

Ms. Deonarine: Thank you, Madam Chair. It is a point of clarification. Now, my understanding was that, in terms of the selection from the database, the selection of individuals from the database, was that it was selection is done based on a criteria where preference is given

to single parents, pensioners, large families with dependent children and persons with disabilities. That was my understanding. But upon my view of annex one, which maps out the allocation process flow, the matrix as Madam Chair has referred to, it says here that:

The selection is done based on random selection, ministerial recommendation, joint protective services and elderly and disabled.

So, which is it? And if it is what is mapped out here in the matrix, then how does the random selection balance the length of time someone—a name would be on the database? And also, how does the ministerial appointment go about—is done? Ministerial recommendations, sorry.

Mr. Campbell: Okay. Thank you. Thank you, member. So the allocations process is guided by the Cabinet Note, where there is the 60, 25, 10 and 5 per cent. What the HDC would try to do is that if a family member has five kids, for example, we will not put them in a two-bedroom apartment—

Ms. Deonarine: Sorry, hold on, hold on. Could you just clarify 60, 25 and 10? What is that?

Mr. Campbell: So, the Cabinet Note of 2008, September 25th, it is 60 per cent random selection, 10 per cent joint protective, 5 per cent for elderly and disabled, and then 10 per cent joint—25 per cent ministerial, sorry. That is the Cabinet Note that governs allocation. So customers would fall within one of those bands. What we do though is that once customers are sent to us and they are assessed, the type of unit that they get is based on preference and qualification, but also family size. So, you would not find us allocating a family of five kids to a two-bedroom apartment. We try to put them in the three-bedroom apartment. If the person has no kids, we may try to put them in a two-bedroom apartment. So, it is all based on availability and qualification.

Ms. Deonarine: So then what you are saying is that the random selection is done from the database that you all have or from somewhere else?

Mr. Campbell: It is not from the database. The Ministry would have a random selection process and then they would inform us, and then we would assess the customers. But HDC does not randomly select persons.

Ms. Deonarine: And the ministerial recommendation, these are recommendations that come from the Cabinet?

Mr. Campbell: No, it comes from the Minister of Housing.

Ms. Deonarine: The Minister of Housing?

Mr. Campbell: Yes.

Ms. Deonarine: Okay. And is that recommendation based on—Madam Chair, guide me—a specific criteria or like, for example, suggestions that would come from various MPs in the Parliament? How is it done?

Mr. Campbell: So, we would get the names, basically, based on that criteria, 25 per cent. The Minister, I am assuming, has the power to determine how she works that 25 per cent. So, she could split it any way, which way that she sees fit, but the HDC is guided by those parameters: 60 per cent random, 25 per cent ministerial, 10 per cent joint protective, 5 per cent elderly and disabled. And the emergency customers, those who are in a less fortunate circumstance, would fall in that 5 per cent—the elderly and disabled—because they tend not to qualify for purchase.

Mr. Mitchell: If I could assist member Deonarine—

Madam Chairman: It is there somewhere in the submission. I cannot put my hand on it now, but it is there somewhere in the submission. Member Mitchell.

Mr. Mitchell: Madam Chair, I was just about to say that, yeah, it comes from

recommendations from MPs, both sides of the aisle, as well as councillors.

Ms. Deonarine: Okay. Thank you very much.

Madam Chairman: Okay. Member Deonarine, are you finished?

Ms. Deonarine: Yes, I am through.

Madam Chairman: Yes, member Mark. Member Mark, you are still muted.

Mr. Mark: Are you hearing me?

Madam Chairman: Yes, we are hearing you now.

Mr. Mark: Thank you, Madam Chair. Madam Chair, I have a few questions I would like to get clarified from our colleagues who are here. First of all, the question of vandalism, both at the construction phase of HDC homes, as well as the completion stage before people actually move in to those premises. We understand from the literature and from the information that it costs like, in 2021, approximately \$14 million and up to 2022, we had a cost of \$6 million.

Now, the question I would like to ask the HDC, through the MD or the Chairman, how does the HDC intend to improve the effectiveness of security to reduce the cost of repairing vandalized homes? Can I get some clarification either from the MD or from the Chairman?

Ms. Mc Farlane: I see the Chairman's hand is raised.

Mr. Garcia: Let me deal with part of the question. Yes, vandalism is an issue with the HDC. We have suffered vandalism throughout Trinidad. We have vandalism in Moruga. We had instances of vandalism at the unfinished units at Oasis. We had vandalism in—*[Inaudible]*—Gardens and literally throughout. What the HDC has been doing is, one, engaging in the discussions with the Trinidad and Tobago Police Service, and I must say that the Minister was very instrumental in leading those discussions; two, coming up with strategies that involve both the police and private security; three, as in the case of Oasis, coming out of a recommendation from the TTPS, we have built or are in the process of building a wall around the site to prevent easy access. We are looking at a site in Bon Air North. Again, we are working with the police and our IT department, because we have installed cameras and improved the lighting. Vandalism is a fact of life and it is part of one of the challenges that the HDC faces.

In terms of the second part of the question, I was not too clear as to exactly what the second part of the question was. So, if Sen. Mark could repeat the second part.

Mr. Mark: Are you hearing me?

Mr. Garcia: Yes, we are.

Mr. Mark: I was just asking what effective measures are you taking to reduce the level of vandalism to these HDC properties, either under construction or having completed construction of same? What effective measures? Because it seems that the cost continues to rise as it relates to vandalism?

Mr. Garcia: So, I spoke to those under construction. The units that have been completed, what the board and the management have agreed is that while we are awaiting the closure of the mortgages, we will enter into short-term rental agreements with the would-be occupants to allow them to occupy the units so that it will reduce vandalism. Because, in particular, when units are completed, it takes sometimes between 90 days to as much as 200 days, or even more, to close the mortgages as for all kinds of reasons. So a house will be completed, it will be allocated but yet, it remains unoccupied. We have come up with a strategy to address that by entering into short-term rental agreements for people to occupy, pending the closure of the mortgages.

Mr. Mark: And this is true, Madam Chair. If we can just go back to the pricing policy, I just want to get some clarification from you. Do you have a specific time frame for the new pricing policy to reach the Cabinet? I know you would not be able to tell us when a decision will be taken, but as it relates to your end of this whole process, when do you anticipate the HDC will

be able to submit what you describe as the new pricing policy to address the housing situation and the escalating cost of same?

Mr. Garcia: Senator, as Chairman of the board, I will ask the management to bring the policy to the board at its next meeting, which is the last Wednesday in November. Once the board has approved it, we will then submit it to the Minister for onward transmission to Cabinet.

Mr. Mark: And the final question I would like to raise with you is, you made the point earlier on that given the escalating cost of construction of housing units, you are thinking of going back to basics, meaning that you give people a shell and they will take their time over a period of time, let us say, to complete the finishing touches. Now, I do not want to call it coal pot strategy, but it is heading towards that.

Now, given the circumstances that we are faced with, the labour market, very depressed wages and salaries in our country, high levels of unemployment, rising cost of housing input, can you share with this Committee what you anticipate are some of the challenges—even though you are going to be able to save cost—but what are going to be some of the challenges you anticipate as Chairman of HDC for these new homeowners who are going to be inheriting this basic structure in a climate of uncertainty, unpredictability, rising cost, among other things? I just wanted to get from you your perspective, as far as you are concerned, and the HDC, re the challenges these new homeowners inheriting this basic structure will face to complete their homes, given our circumstances.

Mr. Garcia: Sen. Mark, I want to go back into early '80s, and then in that period 2003 to 2008, and I will start off with myself. When, in 1982, I got a HDC house, what we inherited was a kitchen with one cupboard, one bathroom, no floor finishes and we had the same economic challenges. If people remember, that period '81 to '86 was one of the most challenging periods in Trinidad's economic history. My wife and I, like all of our neighbours, we put our heads down, we took the house, and piece by piece, year by year, we saved and we finished our house.

I go now into that period 2003 to 2008. We came up with something called the Infill Programme, which was the same basic house in Wellington Road in Debe, in Malabar, in Edinburgh, all over the country; a very basic house, one coat of paint, no floor finishes and louvres for windows. You pass by those houses now and they are virtual mansions, and these were poor people. These were not people working 30,000 and 40,000. But what it demonstrated is that if you give people an opportunity for a basic house—we are not giving them a shell, we are giving them a basic house with no frills.

What has happened, post 2008, is that the HDC started to build nice houses—porcelain tiles and cupboards from Young Sing and granite tops and ceilings that were gypsum ceiling—and that pushed the cost into the 900,000 and the million dollars. And what it did, it forgot the people that HDC was supposed to be servicing, and those people are, what I call, the Kentucky boys, the girls working in Janouras, the teacher and the policeman, who work for a salary of somewhere between 5,000 and \$9,000.

So what we are trying to do is to get back into our old models, learn from the history of both the NHA and the HDC, and provide affordable homes. It is not a shell but it is, what I would call, a basic house that gives the owner the flexibility, especially in these economic times, to take their time and finish the house the way that they see fit. So, it is not a shell. I think we underestimate the resilience and the innovativeness of our people. Give them that opportunity.

You know, I remember in Pleasantville, in 2003, we built a house for \$90,000. It was literally a box. You pass in Ibis Gardens and you will be surprised to see what you are seeing, and these were postmen, deliverymen, girls working in fast food outlets and drivers. So, I would not knock it, history is on our side. Let us get back to our moorings and provide shelter for those

people who the HDC—[*Inaudible*]—had forgotten.

Mr. Mark: Time alone will tell. Madam Chair, thank you so very much.

Madam Chairman: And, Dr. Bodoë, thank you so much for your patience. I now invite you to join the conversation.

Mr. Bodoë: Thank you, thank you Madam Chair, I just wanted to do a follow-up and, perhaps, I can go back to Mr. Campbell, I believe, with regard to the allocation formula, which is used for the distribution of HDC houses. And the 60 per cent, the random distribution, can you provide some more clarification on that? And I ask this because I am thinking, if somebody has an application inside for 20 years and somebody has one inside for 10 months, and both have similar criteria, you know, how does that create some kind of equity in the distribution process? Can you clarify, you know, how that works?

Mr. Campbell: Sure, no problem. Thanks for the question member. So, for the allocation process to remain transparent, the random selection process is one of the best criteria to allow for this. Now, we understand the challenge with someone who would have applied 10 years ago, someone who would have applied yesterday, both stand the chance of being allocated a home. But what really drives the allocation process after the person gets interviewed is if they qualified for the unit and where they applied for it. So, both persons, one would have been 10 years ago, one may have been yesterday, both of them gotten randomly selected. We would assess both of them, but one may not qualify for a unit or the other one may not want the unit where we have it available. So that is how it basically drills down in a funnel approach to how we allocate the best tenants and the best customers. But it is a very fair process with the random selection that keeps us in check.

Mr. Bodoë: Thank you. I understand what you are saying, but suppose the person who has applied, you know, 10 years ago, 15 years ago, just does not get included at all at some point in the draw, or is that guaranteed to happen? Is there a formula then that you use? When you say “random”, I am just trying to understand.

Mr. Campbell: So, the random selection process is managed by the Ministry. So, there are certain criteria. So, for example, the last random draw was done in 2020, where the customers would have been either randomly selected for a particular area. So, you could be randomly selected for San Fernando, for example, but then you could also be randomly selected for San Fernando, who would have applied for apartments. So, it all depends on what the customer would have applied for and what the criteria for the random selection is. So there are various ways to do the random selection, but there are certain criteria that are managed by the Ministry that would guide the assessment process.

Mr. Bodoë: So you are saying, just to be clear, that you are not randomly selecting from the pool that you have in front of you—

Mr. Campbell: Yes, we have.

Mr. Bodoë:—or are you randomly selecting areas? I am still not clear.

Mr. Campbell: Right. So, the random selection is based on who applied. So there is 195,804 customers currently on the database. What normally would happen is that we would randomly select based on different criteria that are guided by us—that are guided to us, sorry. So if there are units in San Fernando, persons would be randomly selected that would have applied for San Fernando, but they could also be drilled down further, persons who would have applied for apartments in San Fernando. So there is certain criteria that determines and dictates the random selection. So, it comes from the 195, but then it could be segmented further.

Mr. Bodoë: Oh, I see. Then it makes the process, perhaps, a bit fairer. Is that what you are saying?

Mr. Campbell: It does. It does. It does.

Dr. Bodoë: All right. I will take your word for that. Thank you. Thank you, Madam Chair.

Ms. Mc Farlane: And I would like to add another level. The Ministry's Internal Audit Department supervises the random selection.

Mr. Bodoë: Okay. Sorry, Madam Chair, if I could just follow-up. Well, in that case then, MD, perhaps, do you have a process where you review applications or applicants who, perhaps, would not have met or been selected by the random process but who would have passed a certain waiting time? Because, as a Member of Parliament, I would have people coming and saying, listen, they have applied 10 years ago, 12 years ago or 15 years ago. So, is there a process that will pick these people up and give them a better or a fairer chance, so to speak, to get selected?

Ms. Mc Farlane: No, there is no process that reviews persons by the date of application or based on age. It is based on qualifying and for the area they would have selected. It is a random process.

Mr. Bodoë: All right. I would leave it at that. Thank you. Thank you, Madam Chair.

Madam Chairman: So, okay. So you have no further questions?

Dr. Bodoë: No, thank you.

Madam Chairman: Okay. Any other member from the Committee has any further questions? Okay. So there are some questions that we are going to send in writing. And I just want to thank the Managing Director, the Chairman and the Permanent Secretary of the Ministry of Housing and Urban Development, and all the staff and the members of the board of the HDC for this very, you know, interesting discussion.

I have one last question and maybe that is to the Chairman to ask: How do you see this restructured or these three new entities and the new HDC fulfilling the Sustainable Development Goal which speaks about providing safe cities, inclusive developments and resilient communities, sustainable communities?

Mr. Garcia: Madam Chairperson, I will start off by saying, I am excited at the prospect. I believe that the restructuring, reorganizing of the HDC would produce, what we anticipate and that is as you say, providing safe, sustainable communities. We are hoping, in the very near future, to start moving our housing developments into the green zone, that is where they are sustainable in terms of water use, in terms of garbage disposal and in terms of energy, utilizing either solar or wind. So that this restructuring and reorganizing gives the HDC the chance, in my view, to fulfil its mandate and to provide Trinidad the opportunity to access affordable homes and to live in sustainable communities.

Madam Chairman: Okay. So I thank you very much. I think I may have omitted to call on member Morris-Julian. Is she still there? You have a question?

Mrs. Morris-Julian: Madam Chair, I will accept it in writing. However, I would like to find out about the flood plans for Oropune and I think Springvale—yeah, Real Spring, Valsayn and Oropune Gardens—I would just really like to know about the flooding plans and what is happening there. I remember Oropune was something as simple as the person who is supposed to turn on the pump did not turn on the pump, you know. So, I would be very much interested, and I am sure the Committee would be, in finding out what are the flooding issues and what has been done to mitigate said issues. Thank you very much.

Madam Chairman: Yeah, I think the Chairman's hand is up.

Mr. Garcia: It is a very timely question because yesterday, Minister Sinanan invited the Minister in the Ministry of Housing and Urban Development, the Managing Director, myself—*[Inaudible]*—and Mr. Vidale to attend a meeting at the Ministry of Works and Transport, where

the Ministry revealed its plans for dealing with the flooding issues. And one of the things that the Minister was at pains to point out and with his young bright technical—I was really impressed—was that there was no easy solution to the flooding.

5.25p.m.

We are experiencing climate change, we are experiencing adverse weather; we are getting rainfall in a day that would normally be a month's rainfall, but his young technical staff outlined a plan with the aid of the Andean Development Bank who is funding the implementation of the studies and of the plan. And the first item on the agenda, they assured us—I think Sen. Deyalsingh was also at that meeting representing the Real Spring, Valsayn south homeowners. The first item that they are going to tackle is to alleviate the flooding in south Valsayn through the building of a berm, sluice gates and some pumps. The Minister was at pains to point out that the Caroni River starts in Tamana and what we have to do is as holistic approach. So we are going to bring relief, we hope, by the next rainy season to the residents of south Valsayn and the HDC development, Real Spring. At Oropune we were fortunate in this flooding that we did not get serious flooding. The pumps worked and the gates also worked.

We are working closely with the MP for the area and, I must say, the Managing Director has a working relationship with Khadija Ameen, so we are working together with the MP for the area to solve the Oropune issue. Greenvale, we believe—knock on wood—that we have solved that problem. In all of the episodes of flooding we did not have any incidents of flooding. So that the HDC has committed to work closely with the Ministry of Works and Transport. In fact, the Minister was kind enough to lend us his technical people to come and explain to the various communities what the solutions are and what are the plans. So there are plans; relief is coming but it is not a quick fix. So thank you for that timely question, MP Julian.

Mr. Chairman: Thank you very much. And I just one last call to members, any other questions? All right. So, as I say, there are some other questions that we will send to the Managing Director for written responses, particularly like dealing with your plans to have stymied the defective units, and so on, and how those plans have been working and some of the issues that were raised that we have asked you to respond in writing. We would send you some written communication requesting that and the timelines. Okay. So again, I want to thank you all for a very fruitful discussion. I want to thank the members also of the Committee for their participation. I wish you all a very good evening and a safe journey home. Thank you very much. This meeting is now suspended.

Member: Thank you, Chair and members.

Member: Thank you, Chair.

5.28 p.m.: *Meeting suspended.*