Government of the Republic of Trinidad and Tobago
Ministry of Housing and Urban Development

MHUD: 3/7/13 Vol III

29th April, 2019

Ms. Jacqui Sampson-Meiguel
Clerk of the House
Parliament
Republic of Trinidad and Tobago
Level G-7, Tower D
The Port of Spain International Waterfront Centre
1A Wrightson Road
PORT OF SPAIN

Dear Ms. Sampson-Meiguel,

Re: The Fourteenth Report of the Public Administration and Appropriations Committee on an Examination into the Construction, Maintenance and Refurbishment of State-Owned or State-Funded Housing Projects and Units

Reference is made to your letter dated January 17, 2019; Ref: Parl.:5/5/61.

Please find enclosed the written report from the Ministry of Housing and Urban Development in response to Standing Order 110(6) and 100(6) of the House of Representatives and Senate respectively.

We do humbly apologise for the late submission.

Yours Sincerely,

....

Permanent Secretary
Ministry of Housing and Urban Development

PERMANENT SECRETARY
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The Fourteenth Report of the Public Administration and Appropriations Committee on an Examination into the Construction, Maintenance and Refurbishment of State-Owned or State-Funded Housing Projects and Units

The Fourteenth Report of the Public Administration and Appropriations Committee on an Examination into the Construction, Maintenance and Refurbishment of State-Owned or State-Funded Housing Projects and Units was presented in the House of Representatives on January 11, 2019 and in the Senate on January 15, 2019.

Standing Order 110(6) and 100(6) of the House of Representatives and Senate respectively, requires the Minister with responsibility for the Ministry/Body reported on by a Joint Select Committee to present to each House, a paper responding to the recommendations/comments contained in the Report.

The Minister of Housing and Urban Development has reviewed the recommendations/comments contained in the report. The response of the Minister is presented herein.

Issue 1: Backlog of Housing Applications

Recommendation
The Ministry of Housing and Urban Development (MHUD) shall submit a progress report to the Committee by February 15, 2019 on the efforts made in clearing the backlog of applications for housing and include the following:

- **The number of housing units constructed by the Housing Development Corporation (HDC) as at January 01, 2019 and the corresponding number of houses occupied; and**

Response:

While the MHUD recognises that there may always be a backlog of applications given the spike in new applications following many key distribution ceremonies, it has, through its agency the HDC, continued on its housing construction and distribution drive undeterred. Several methods are being employed in an effort to clear the backlog of applications, including the construction of new units, restarting of stalled projects and refurbishment of vandalised units.

- New constructions

During the period January 2015 to January 2019, construction commenced on eleven (11) development sites, producing a total of one thousand, four hundred and nine (1,409) housing units, of which two hundred and nineteen units (219) have since been delivered.

Period	Estimated yield	Delivered
January to December 2016	168	126
January to December 2017	337	81
January to December 2018	904	12
Total	**1409**	**219**

- Restarted projects

For restarted units, there is an estimated yield of three thousand, eight hundred and four (3,804) units across twelve (12) housing sites. To date, one thousand, nine hundred and twenty-five (1,925) units have been delivered to the HDC for distribution.

- Refurbishment of vandalized units

During the period 2015 to 2019, a total of one thousand, one hundred and twenty-nine (1,129) vandalized units were repaired for distribution.

- Stalled projects

Currently, there is an estimated yield of one thousand, one hundred and fifty-nine (1159) units from stalled projects at the Oasis Housing Development in Chaguanas. Contractors have been invited to bid for packages to continue construction on this site.

- **The number of units constructed under the HCIP as at January 1, 2019 and the corresponding number of houses occupied.**

As at 1st January 2019, there were no units yet constructed under the Housing Construction Incentive Programme (HCIP). However, thirty contractors have so far been registered, two (2) of whom have commenced construction. Five (5) contractors are presently being evaluated and the HDC is awaiting feedback from all others.

Recommendation

The MHUD shall liaise with the HDC and submit a status update on the current batch of successful applicants under the Aided Self-Help Programme to the Parliament, the following to be included in the status update:

- ***The number of applicants selected (segregated into applicants with land and without land); and***
- ***The key performance indicators being used to determine whether the programme is meeting its goals***

Response:

The Government Aided Self-Help Housing Programme is not administered by the HDC. This programme is being administered by the Land Settlement Agency (LSA), as part of an affordable, and high quality housing initiative.

Status:

A total of seven hundred (700) applicants without land were randomly selected on April 6, 2018. Two hundred (200) applicants with land applied under this programme. Below is an overview of the process and progress of the programme to date:

Applicants without land

1. Contact with Clients

Letter of Selection and Financial Assessment Letter collected	686
Collected Letters but No Longer Interested	7
Not Interested / Did not Collect Letters	3
Acquired Land after submission of Application	1
Sub-Total	**697**
Unsuccessful Contact via phone	3
Total	**700**

2. Interviews

Interviews Conducted	667
Outstanding Interviews	7
Total	**674**

It is to be noted that 12 of the 686 persons that collected letters were determined to be persons with property and were therefore not invited to be interviewed.

3. **Financial Assessments: (**It is to be noted that the Aided Self-Help Housing Committee has established a minimum qualifying amount of $300,000.00 for persons to be allocated a lot).

No. of Persons forwarded to TTMF/Other for Financial Assessments	**667**
No. of Financial Assessments Received (TTMF/ Other)	**661**
No. of Financial Assessments outstanding	**6**

Land and Construction Assessments:

$300,000 and over	494
$250,000 - $299,999	28
$200,000 - $249,999	34
less than $200,000	75
Unable to qualify	29
Unemployed	1

4. **Allocation of Lots**

Allocations submitted for approval	438	
Allocations to be completed	56	(Estimated Completion by Mar 22, 2019)
Total	494	

5. **Preparation and Distribution of Lot Cost Letters, that is, letters indicating the cost of the lot for beneficiaries:**

Lot Cost Letters Prepared	297 (of which 184 have been collected)
Balance of Letters to be Prepared and Distributed	141 (Estimated completion by Mar 15, 2019)
Total	**438**

6. **Other Phases**

Viewing of Allocated Lots	Feb 26th to Mar 29th
Preparation and Execution of Sale Agreements (by applicant and COSL)	Apr 1st to Apr 30th
TTMF/Other Interviews (land only Mortgage Application)	May 1st to Jul 31st
Preparation and Execution of Deeds of Lease by Chief State Solicitor's Office	Jun 3rd to Aug 30th
Interviews for Selection of House Plan	Jun 3rd to Aug 30th
Statutory Approvals – submission of applications to the Town and Country Planning Division and the Regional Corporation	Sep 2nd to Nov 29th
Conversion of 'Land only' Mortgage to 'Land and Construction'	Dec 2nd to Feb 28th 2020
Construction of Homes	Dec 16th to Jun 30th 2020

Applicants with land

1. **Contact with Clients**

Letter of Acknowledgement and Deposit Slip collected	158
Uncollected Letter and Deposit Slip	20
Unsuccessful Contact via phone	22
Total	**200**

2. **Payment for Title Searches (for verification of Property Ownership)**

Deposit Paid	65

3. **Other Phases**

Title Searches	Mar 11th to Mar 29th
Interview/ Financial Assessment (for Construction)	Mar 18th to Mar 29th
Interviews for Selection of House Plan	Apr 1st to Apr 30th
Statutory Approvals – submission of applications to the Town and Country Planning Division and the Regional Corporation	May 6th to Oct 31st
TTMF/ Other Financial Institution Interviews (Mortgage Application)	Nov 4th to Nov 29th
Construction of Homes	Dec 9th to Apr 30th 2020

Key Performance Indicators of the Government Aided Self-Help Housing Programme

Direct Indicators:

- Number of sites/lots developed and made available under the Programme;
- Number of beneficiaries processed by the LSA (whether randomly selected, recommended by Minister or beneficiaries with land);
- Number of lots allocated to beneficiaries and approved by Committee and Minister;
- Number of Sale Agreements executed;
- Number of Deeds of Leases executed; and
- Enhanced delivery of housing – number of units constructed and time taken for delivery of units.

Indirect Indicators:

- Generation of employment within the small building sector;
- Improvement of national standard of housing due to adherence to HDC's standards for construction (making homes safer and more capable of withstanding natural disasters); and

Recommendation

The Ministry of Housing and Urban Development shall determine a mechanism to update the database of housing applications along with timelines for the implementation.

Response:

The Ministry recognises that the database of housing applications needs to be updated. However, the cost of so doing is prohibitive at this time.

Issue 2: Reducing the Cost of Construction

Recommendation

- ***The MHUD shall submit a report to the Parliament by February 28, 2019 on the amount of public funds saved for each of its housing projects as a result of the reduction in the cost of production within financial year 2017/2018;***
- ***The MHUD shall submit a report to the Parliament by February 28, 2019 on the number of houses constructed under the new cost of $440 per square foot and $650 per square foot.***

Response:

The HDC resolved to reduce the overall price of construction for its new developments. This resulted in contractors bidding more competitively for contracts and achieved the desired outcome. Seven (7) projects which commenced after July 2016 were subject to this new approach to construction procurement.

Savings calculated and represented in the following table are on the basis of previous modes of operation, including construction practice and related spending patterns. As such, four hundred and forty-two (442) units were scheduled to be constructed at a total cost of $242,116,630.13 which, based on previous spending patterns, yielded savings of twenty-three percent (23%) or $72,900,994.87 **(see following table)**.

Comparing construction-related spending patterns prior to and after July 2016

Development	Yield	Total Area (sq.ft.)	Previous Average Rate per sq. ft. (TT$)	Estimated Cost: prior to mid-2016	Average Cost per sq. ft.	Total Cost (TT$)	Probable Savings (TT$)
Bon Air South	60	70, 620	650	45, 903, 000	491.09	34, 680, 455.78	**11, 222, 544.22**
Corinth Site A	56	68, 162	650	44, 305, 300	491.47	33, 499, 032.83	**10, 805, 942.17**
Corinth Site B	43	27, 219	650	17, 692, 350	403.67	10, 987, 450.35	**6, 704, 899.65**
Corinth Site C	18	21, 420	650	13, 923, 000	526.82	11, 284, 456.67	**2, 638, 543.33**
Gomez	71	56, 163	650	36, 505, 950	566.39	31, 810, 181.04	**4, 695, 768.96**
Carina Gardens	94	115, 059	650	74, 788, 950	571.49	65, 755, 053.46	**9, 033, 296.54**
Trestrail	100	126, 000	650	81, 900, 000	429.37	54, 100, 000.00	**27, 800, 000.00**
TOTAL	**442**			**315,018,550**		**242,116,630.13**	**72,900,994.87**

Note: For purposes of providing a calculation of savings, the *Previous Average Rate per sq. ft.*, that is, the rate the HDC paid before the institution of this initiative, was estimated at six hundred and fifty dollars ($650) despite the fact that this rate depends on procurement practices, the contractor and issues that arise at the development as construction progresses.

Issue 3: Monitoring and Evaluation

Recommendation

- ***The MHUD shall submit a progress report to the Parliament on the status of the establishment and staffing of the Projects Unit by February 28, 2018***

Response:

The MHUD has taken the administrative decision to have the project management function carried out by its Economic, Research and Planning Unit (ERPU) and its Programme Monitoring, Evaluation and Coordinating Unit (PMECU), both of which are already in existence and properly staffed. These units are also carrying out the monitoring and evaluation function.

Issue 4: Eden Gardens

Recommendation

- ***The HDC shall submit a report to Parliament on an investigation into the 13 unit shortfall under the Eden Gardens project by February 15, 2019;***
- ***The MHUD shall submit a report to Parliament on an investigation into the discrepancy between the Ministry's figures and HDC's for the Eden Gardens project by February 15, 2019.***

Response:

The figures represented in the Fourteenth Report of the PAAC indicating that TIAHCO did not produce or that there was no intention to produce thirteen (13) units at Eden Gardens did not reflect that these thirteen (13) units are actually scheduled for delivery in 2019. The numbers provided for expected output in 2019 were provided in error. Instead of thirty-nine (39) units being delivered by TIAHCO in 2019, fifty-two (52) are expected to be delivered. The overall yields of one hundred and twenty-eight (128) units for TIAHCO and three hundred (300) units for the entire Eden Gardens development still hold.

While the Ministry of Housing and Urban Development reported that the total cost of contracts for construction at Eden Gardens was $236,691,789.65, the HDC reported a figure of $272,195,561.89. The former sum was reported without the application of value added tax (VAT) at a rate of fifteen percent (15%). The latter is VAT inclusive.

Issue 5: Failure to Submit Audited Financial Statements

Recommendation

- **The HDC shall liaise with the MHUD to ensure that HDC's Audited Financial Statements for 2005 to 2009 are laid in Parliament by February 28, 2019.**

Response:

The MHUD received the abovementioned audited financial statements from the HDC on 4th February 2019 and is in the process of submitting same to be laid in Parliament. The findings of audits currently in progress will be submitted as they are received.

Issue 6: The Housing and Village Improvement Programme

Recommendation

- ***The HDC shall submit a status update to the Parliament on the progress made in developing Merikins Village under and the progress made in developing other villages by February 15, 2019.***

Response:

It is to be noted that the HDC is not responsible for the Housing and Village Improvement Programme (HVIP). This is a project of the MHUD, which is implemented by the LSA on behalf of the MHUD.

The pilot project under the HVIP was undertaken in the Merikins Village of Samuel Cooper in Moruga. This was a highly successful project that was completed on time and within budget. The activities completed are listed below:

✓ House Construction

Actual construction of 30 standard starter houses commenced in phases from May 2018. Total cost was $3Mn or $100,000 per house.

✓ Repairs to Homes

Repairs to 9 homes commenced October 2018. The total cost of this was approximately $90,000, or $10,000 per house repair.

✓ Design and Construction of Drains and Retaining Walls

Construction of drains and retaining walls commenced in August 2018. Total cost was approximately $600,000.

✓ Hand over of Keys to 30 Houses

There was a formal handover of keys on February 18, 2019 to beneficiaries of the 30 houses constructed.

Summary of Benefits

A total of thirty-nine (39) families have benefited from home construction and improvement. A village of 168 households has benefited from the construction of drains and retaining walls.

Many jobs were created during this project at Samuel Cooper Road, Moruga. All contractors and workers engaged on the project came from the Village of Samuel Cooper. Many unskilled persons were engaged and due to the exposure they are now much more employable. In addition, the HVIP won the President's Award for Service Excellence and Innovation in the Public Sector.

Other Villages

After the success of the project at Samuel Cooper Road, this programme is being rolled out in four (4) other areas, namely Sangre Grande, St. Joseph, Moruga and Marabella. A total of one hundred (100) houses are expected to be built between the months of February 2019 to May 2019. The areas selected are based on the Village selection criteria of the programme.

Social surveys have been completed for over 500 families and selection of the 100 families for inclusion in the programme is ongoing.

Issue 7: Bon Air North

Recommendation

- ***The MHUD shall submit a status update on the 48 units to be provided in 2018 to the Committee by February 15, 2019.***

Response:

The project plan for Bon Air North was revised in the following manner: the density of the site was modified to enable the construction of more duplex and townhouse units for mortgage, reducing the number of apartment units. Total project yield was consequently reduced from three hundred and ninety-eight (398) to three hundred and thirty-eight (338) units. This site consists of three-bedroom townhouses, built in either duplex or quadraplex blocks and two and three-bedroom apartments.

While the HDC aimed to complete forty-eight (48) units at the Bon Air North construction site in 2018, fifty-eight (58) units were constructed; thirty (30) duplex and twenty-eight (28) quadraplex. As at the end of 2018, twenty-seven (27) units had been allocated.

Issue 8: Structural Integrity of Housing Units

Recommendation

- ***The MHUD shall liaise with the HDC on the issue of Las Alturas and report the recommended action(s) with a justification and timelines for said action(s) to the Committee by February 28, 2019.***

Response:
The defective structures at the Las Alturas Housing Development will be demolished. Timelines for the completion of this action are not yet available, and are dependent on the receipt of tenders for said demolition and the availability of funds to complete demolition.

Issue 10: Maintenance of Wastewater Treatment Plants at Housing Developments

Recommendation

- ***The HDC shall submit a progress report to the Committee on:***
    - ***The status of handing over all waste water treatment plants to WASA by February 15, 2019***

Response:

It is to be noted that wastewater treatment plants (WWTP) and lift stations (LS) are two types of wastewater treatment facilities (WWTF). At the time of review, the HDC maintained control of sixty-eight (68) WWTFs. Four (4) had previously been transferred to WASA on 11th September, 2015; three (3) lift stations at Clever Heights, Arima and one (1) lift station at Edinburgh South, Chaguanas.

The HDC has since adjusted its approach to the handover of WWTFs to WASA: the first facilities to be transferred will be those which required the least extensive upgrades and/or repairs, in an effort to facilitate the quickest turnover. As such, the sixty-eight (68) facilities were grouped into three (3) batches.

In June 2018, so as to expedite the handover process, the HDC retained external counsel to handle the conveyancing aspect of transfers to WASA. In addition to the aforementioned transfer of four (4) facilities, two (2) sets of handovers were completed in 2018, resulting in an annual savings of **$1,263,443.40**.

WWTFs transferred to WASA in 2018

	Development	**Type of WWTF**
	28 November 2018	
1	Eastgrove	Wastewater Treatment Plant (WWTP)
2	Eastgrove	LS 1
3	Eastgrove	LS 2
4	Eden Gardens	WWTP
5	Eden Gardens	LS
6	Mountain View	WWTP
	12 December 2018	
7	Retrench, San Fernando	LS
8	Oasis Gardens, Patna Village	LS

In the interim, the remaining sixty (60) WWTFs are all subject to operations and maintenance (O&M) contracts which ensure that they remain functional and that beneficiaries are not caused any undue inconvenience as a result of malfunction or failure. Built into all of these O&M contracts is a thirty (30) day cancellation clause, pending the finalisation of adoption by WASA or substandard performance of the contractor.

Five WWTFs are scheduled for the next transfer; namely Maracas, St. Joseph (LS and WWTP), Oropune, Piarco (LS and WWTP) and Ibis Gardens, Caroni (WWTP).

- **The status of providing the on-lot disposal and the wastewater treatment plant for River Runs Through Housing Development units by February 15, 2019.**

The original wastewater infrastructure design for this site was for the use of on-lot septic tank disposal systems. Subsequently, a decision was made to construct ten (10) townhouse blocks (with a total of 32 units) in Phase 3 of the development. The design and layout of these ten (10) townhouse blocks meant that land availability for individual septic tanks and soak-aways was limited. There was also insufficient land space to accommodate a communal drain field.

It was therefore decided that a wastewater treatment plant was required to treat the waste from those blocks. This solution also allowed for the inclusion of previously completed units whose location made an on-lot system unfeasible due to high groundwater.

Following the completion of a planned 3-phase electrical supply on or before 30th June, 2019, the WWTP will then be commissioned for this site.

Issue 13: Common Area Maintenance (CAM) Charges

Recommendation

- ***The MHUD shall liaise with the HDC and submit a status update on the delegation of responsibility initiative to the Parliament by February 15, 2019. Please include the following in the status update:***
    - ***Whether the pilot was successful and a justification for response;***
    - ***The weaknesses/failings identified; and***
    - ***Whether the HDC intends to introduce the same initiative in other projects and if so, the timelines for same.***

Response:

The HDC incorporates its beneficiaries into the management of their respective developments in two ways:

1. Through Management Companies for developments where beneficiaries are on an ownership track via the following arrangements:
    - ✓ Rent-to-Own (RTO)
    - ✓ License to Occupy (LTO)
    - ✓ Mortgage
2. Via the inclusion of a dedicated service charge or maintenance fee into the rental fee charged to beneficiaries.

Management Companies:

Management Companies exist in every development where homeownership is determined to be the mutual goal of both the HDC and its beneficiaries. They deal with the everyday administration and maintenance of developments and are incorporated and initially administered by the HDC. They are then transferred to residents when the HDC determines that this can be done sustainably.

There have been challenges with management companies. These include:

- ✓ Service Charges: Delinquency in payment, which is often long term or which begins once mortgages are paid in full
- ✓ Creating sustained buy-in among beneficiaries, especially regarding assessment and increase of fees
- ✓ Consensus building: Insurmountable animosity between or among residents
- ✓ Criminal activity
- ✓ Expectations of the HDC: Belief that services should be maintained at no additional cost to beneficiaries
- ✓ Misunderstanding of the role of the HDC in community building – belief that the HDC must provide services that are not central to its mandate to provide affordable housing and facilitate the community building process
- ✓ Where mortgage developments are located near to rental estates, animosity regarding the range of services performed at rental estates has been recorded.

Rental estates:

Before 2018, rental beneficiaries were not required to pay maintenance fees. The HDC piloted the payment of a three hundred dollar ($300) fee at the Bon Air North development in 2018 and is in the process of expanding this drive to Vieux Fort Housing Development in St. James.

As rental beneficiaries cannot legally hold shares in Management Companies, they are not incorporated. Rather, this charge is included in the rental fee and is paid directly to the HDC. To date, there has been no significant objection to the inclusion of this charge at Bon Air North. However, because this initiative would be construed as an increase in rent at the HDC's older estates, if the programme were to be expanded to include same, objection would be expected.

With the HDC's primary focus being on implementation of service charges in new developments, expansion of this drive inevitably depends on the rate of completion of units marked for rental. The HDC will continue to monitor and evaluate this initiative in order to guide decision making on further expansion in the future.

Issue 14: Refurbishment of Abandoned Units

Recommendation

- ***The MHUD shall liaise with the HDC and submit a status update on the refurbishment of the following abandoned housing developments by December 31, 2018:***
  - ***Lakeview, Point Fortin;***
  - ***Pier Road, La Brea;***
  - ***Hubertstown, Guapo;***
  - ***Cypress Hills, San Fernando;***
  - ***Pine Ridge, Bon Air;***
  - ***Phase 1, Malabar;***
  - ***Oasis, Chaguanas;***
  - ***Almond Court, Morvant; and***
  - ***Ed Towers, Chaguanas.***

Response:

The following is to be noted:

- ✓ Pine Ridge, Bon Air is referred to as Bon Air North.
- ✓ Phase 1, Malabar is referred to as Malabar, Site 3.
- ✓ Works at abandoned structures at Almond Court and Edinburgh Towers have not yet recommenced, as the HDC continues to attempt to source adequate funding.

The tables below give an update of the HDC's refurbishment drive.

Tracking and projecting progress on seven (7) reactivated projects

Development	Project Yield	Unit Starts	Start	Finish	2015	2016	2017	2018	Delivered to Date	2019	2020
Bon Air North, Arouca	336	336	05/14	09/20	0	0	92	56	148	50	138
Hubertstown, Pt. Fortin	46	46	12/14	12/17	0	19	27	0	46	0	0
Lakeview, Pt. Fortin	422	422	04/06	09/20	218	0	63	18	299	123	0
Pier Road, La Brea	81	81	05/14	06/19	44	22	8	0	72	9	0
Cypress Hills, San Fernando	1, 182	1,182	03/15	12/20	440	268	32	18	758	216	208
Oasis Greens, Chaguanas	1, 159	1, 159	09/14	12/20	743	0	0	0	743	208	208
Malabar Site 3, Malabar	94	94	06/17	05/19	N/a	0	0	37	37	57	0
Total	**3, 320**	**3, 320**			**1, 445**	**309**	**222**	**129**	**2, 103**	**663**	**554**

Key
Completed
In Progress

Allocation and occupation of completed units

Development	Units Complete	Units Allocated Overall	Calendar 2018	Units Allocated and Occupied Overall	Calendar 2018	Unallocated units
Bon Air North, Arouca	148	119	30	89	4	29
Hubertstown, Pt. Fortin	46	32	23	9	3	14
Lakeview, Point Fortin	299	270	44	226	39	29
Pier Road, La Brea	74	74	22	52	4	0
Cypress Hills, San Fernando	758	745	79	666	13	13
Oasis Greens, Chaguanas	743	737	27	710	9	6
Malabar Site 3, Malabar		50	44	0	0	0
Total	**2, 068**	**2, 027**	**269**	**1, 752**	**72**	**91**

Issue 15: Gang Infiltration at Housing Developments

Recommendation

- ***The MHUD shall liaise with the HDC and submit a status update on the efforts to rid housing developments of gang infiltration in named developments to the Parliament by February 15, 2019.***

Response:

The HDC collaborates with the Trinidad and Tobago Police Service (TTPS) to combat gang activity at its developments. Typically, such activity occurs in the depressed areas which contain a majority of the HDC's rental stock.

Gang members who illegally occupy HDC units are routinely evicted with the aid of the TTPS and through the efforts of the HDC's Security Department.

- **The MHUD shall liaise with the HDC and submit a report on the countermeasures being implemented to combat gang infiltration in developments to the Parliament by February 15, 2019.**

Given that the simple removal of gang-affiliated persons from HDC developments, in collaboration with law enforcement or through evictions, does not guarantee their sustained absence from affected areas, the HDC now pursues a strategy that is characterised by collaboration with other organisations in pursuit of this goal.

To date, the HDC has worked with law enforcement to conduct evictions and secure arrests of gang-affiliated persons. The HDC has also recruited additional security staff to patrol sites where gang activity is reported, resulting in an increased incidence of evictions, and enabling more effective identification of issues and communication of same to law enforcement. Closed-circuit television (CCTV) cameras have been installed to enable the HDC to better synchronise with law enforcement, including providing real-time coverage for monitoring purposes.

HDC has engaged social services, churches and non-governmental organisations to focus on the children and youth resident in these areas who are susceptible to negative influences. This is a multi-dimensional approach geared towards sustainable long-term success. It targets those directly involved in gang activity, those who live in close proximity to same and who are most affected by it and those, especially children and youth, who may be inclined to become involved in gang activity.

Issue 16: Progress made by SILWC

Recommendation

- **The MHUD shall liaise with the SILWC and submit a status update to the Parliament on the resurvey and allocation of land at Orange Field for former Caroni (1975) Limited employees by December 31, 2018. Please include the following in the status update:**
    - **The status of the land survey at Orange Field (include timeline for completion);**

Response:

The Water and Sewerage Authority (WASA) will continue to carry out water reticulation work at Orange Field Road extension and is in the process of joining the lift station process to the sewer treatment plant in the older area of Orange Field Road.

This process has been hindered by the following:

- ✓ Slow receipt of funding
- ✓ The collapse of the Sugar Welfare Committee in May 2018 (with the resignation of one member creating the absence of a quorum).
- ✓ A request from WASA to have the area re-cleared of new growth of vegetation (shrubs and grass) for them to continue the job
- ✓ With the proposed dissolution of the SILWC all new projects must be approved by the Minister of Housing and Urban Development. The request for the cleaning of the Orange Field Road extension was submitted for approval in February 2019, upon the reconstitution of the Committee
- ✓ The extensive work that WASA has to continue to carry out is the main cause of the removal/displacement of pickets of the last survey done. Those pickets will have to be replaced when the re-survey is completed
- ✓ Since WASA is awaiting the re-clearing of the Orange Field Road extension in order to continue its work, it is not advisable to re-survey the area until the work WASA has to do is completed.

    - **and; The timelines for the allocation of land to respective persons.**

Caroni (1975) Limited was responsible for allocating lands to persons (Caroni VSEP workers) and this has been done.

Issue 17: Ninth Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1) the Administration and Operations of the Housing Development Corporation (HDC)

The June 2014 Report of the Joint Select Committee on Ministries, Statutory Authorities and State Enterprises (Group 1) the Administration and Operations of the Housing and Development Corporation (HDC) made several recommendations with a view to improving the administration and operations of HDC. Additional evidence indicated that the HDC did make some progress in implementing the recommendations which arose in the aforementioned Committee Report. However, some recommendations remain outstanding. The following is the response to these outstanding recommendations.

Recommendation

- **The HDC shall submit a status update on the implementation of the outstanding recommendations to the Parliament.**

Recommendation

iii. The Corporation re-evaluate the performance of its Project Management and Oversight Division (PMOD) with a few to strengthening its capacity to provide sound quality control and management of projects.

AND

xi. The Corporation conduct a review of its project monitoring and evaluation system in order to ensure that its systems can identify and highlight deviations between the project designs/concepts and project execution.

Response:

With the restructuring of the Project Management and Oversight Division to the Project Development and Oversight Division (PDO) between September 2015 and June 2016, the HDC transferred responsibility for construction management, monitoring and quality control to the Construction Management and Operations Division (CMO). The relationship between these Divisions is such that CMO operationalises the concepts, designs and approaches conceived by PDO, which now focuses entirely on development and design, and provides support to CMO in the execution of its management duties. There is an integrated approach to the planning and construction processes, with teams being established to enable effective communication and the execution of projects.

The ability of CMO to monitor its projects was enhanced by the development and implementation of the 22-point certification plan.

iv. In addition, the Corporation must introduce a Defect Rate Policy, which will allow for financial deductions from payments owed to contractors, if during the inspection of houses, a specified number of work defects is exceeded.

The HDC notes the recommendation of the Committee. It should be noted that the continued implementation of the 22-point certification programme is expected to result in the significant reduction of defects in the long term. However, in the rare cases where contractors do not address defects in a satisfactory manner, the Corporation imposes sanctions upon contractors in other ways:

- ✓ Payment may be deliberately withheld if defects are not addressed
- ✓ Defects identified and completed by other contractors, or even by beneficiaries may be charged to the original contractor. This may be addressed either by deducting the charge from outstanding payables to contractors, or pursuing payment. The former option is typically preferred.

v. The HDC should as far as possible, establish specific timeframes for the execution of remedial work by contractors after the expiration of the Defect Liability Period.

The HDC notes the recommendation of the Committee. Issues related to construction, including structural defects, are brought to the attention of the original contractors, after the Defects Liability Period, as a matter of process. The contractor is required to remedy defaults as they are brought to his/her attention.

vi. A comprehensive programme for the retrofitting of tenanted buildings be undertaken to inter alia ensure that fire escapes and other required life preservation mechanisms are installed.

The HDC has undertaken a programme to protect its rental estates, and the beneficiaries therein, from fire hazards: the *Design and Installation of Fire Detection, Standpipes and Fire Hose System for Multi-storey Estates Programme.*

This programme began with an investigation into fire systems throughout its tenanted developments, involving a series of thorough inspections of the HDC's multi-storey estates. This extensive inspection exercise resulted in the development of a comprehensive plan to retrofit these sites with fire detection equipment, standpipes and fire hose systems.

Seventy-four (74) sites were identified and placed into twelve (12) zones. The following table shows progress made to date in Zones 1 to 4. At several sites, progress has been dampened both by financial constraints and concerns regarding the safety of contractor personnel at some of the areas prone to gang and other criminal activity. A far more favourable completion rate has been achieved in Zones 3 and 4 however, with four (4) sites being completed, seven (7) sites being at ninety-five percent (95%) complete or above, and one (1) site at sixty-seven percent (67%) complete.

A comprehensive list of targeted developments and the zones into which they have been placed is at **Appendix I.**

Estates covered by the HDC's *Design and Installation of Fire Detection, Standpipes and Fire Hose System for Multi-storey Estates programme:* Zones 1 to 4

Zone	Location	Completion (%)
	Contractor: Cole and Associates	**Completion (%)**
	Maloney Estate	4
	Oropune (NH)	42
	Oropune (IEC)	54
Zone 1	Pleasantville	53
	St. Joseph Road/Picadilly Street	76
	Almond Drive	38
	Harding Place	0
	St. Francois Valley Road	46
Zone 2	La Gota Heights	45
	Embacadere	40
	Paradise Heights	27
	Mango Rose	32
	Contractor: Water Tech Limited	**Completion (%)**
	St. Joseph Road/Picadilly Street	98
	Mountain View	98
Zone 3	Roy Joseph	95
	Leon Street	98
	Olera Heights	100
	Clifton Towers	98
	De Freitas Street, St. James	100
	Duncan Street	100
	Macano Quarry (Canada)	67
Zone 4	Beverly Hills	95
	Orchid Gardens	100
	Bath Street	95

vii. The HDC provide its HSE department with continuous exposure to HSE training in order to keep abreast of recent developments and best practices.

The Training and Development Department works with the HSE Department to ensure that staff is equipped to deal with a multiplicity of situations in keeping with best practices. It is often the case that members of the HSE Department identify valuable training opportunities, indicate the availability of same to Training and Development, and attend sessions after they are enrolled.

viii. The Corporation undertake a review of its maintenance and/or defect alleviation procedures with a view to reducing inefficiencies represented mainly by

time lags between "walkthroughs", the registering of defects and the repairing of defects.
AND
ix. The HDC provide an estimated specified (or estimated) time frame in which customers can expect their defect claims to be processed and completed. This procedure should be computerized to allow the Corporation and affected clients to easily track the status of maintenance and remedial works.

The HDC has enforced a strict three-month window during which remedial work must be registered by beneficiaries. Work is investigated, tendered for and undertaken by contractors. The extent of remedial work to be done is the primary determinant of the time taken to achieve completion. Instead of ascribing a general time period or category of time periods for completion, the HDC manages the expectations of each beneficiary by informing them of expected timeframes for their respective units.

xii. In addition to some of the housing models utilized in Israel and Singapore, that the Corporation, in collaboration with its line Ministry, should explore the alternative housing model adopted by the Community Land Trust (CLT) of the United Kingdom. CLT is a "non-profit, community based organization run by volunteers that develops housing or other assets at permanently affordable levels for long-term community benefit".

Cultural relevance plays a determining role in the success attributed to the HDC's outputs. The HDC notes that the frameworks mentioned in the Committee's recommendation are all from countries that are significantly culturally different from Trinidad and Tobago. The HDC takes valuable lessons from other housing frameworks and uses them only if they are assessed as having a reasonable chance of success.

The CLT model, for example, promotes neither homeownership nor rental of units, but instead focuses on long-term leasing of homes. While recognising the validity of this form of security of tenure, there is concern as to whether this model would engender a sense of genuine investment in community building for the following reasons:

- ✓ Beneficiaries would not own their homes, and the introduction of a model that does not acknowledge the cultural importance of homeownership in Trinidad and Tobago may not achieve sufficient buy-in
- ✓ Beneficiaries may be released from their leases, but would only earn a portion of the cost of the homes they occupied. This is incompatible with the general concept of a home as an investment or an asset that appreciates significantly in value over time.

The HDC has, however, incorporated the CLT model's focus on creative approaches to task completion via volunteerism into its Management Company initiative.

The HDC continues to explore alternative models from which it could learn valuable lessons.

xiii. The HDC explore alternative construction technology such as the one used by Moladi, South Africa, where "an innovative system of moulds assembled with 30cmx30cm plastic panels allows for buildings such as school, homes, community centres and clinics to be 'cast' with speed and ease. The model has no restrictions but is particularly useful for low cost housing, as the casting structures can be used up to 50 times, which allows for cost savings through economies of scale. The model utilizes its construction technology with a simplified assembly method, which helps to reduce cost, complexity of building, and the use of traditional materials such as timber and steel."

The HDC does explore alternative construction technologies. Buildable land is extremely scarce, which drives the HDC's focus on long-term sustainability and the efficient use of land. The construction of complex structures is essential if the HDC is to attempt to meet the demand for housing.

Contractors hired by the HDC utilise similar technology to that employed in South Africa, one such being the FORSA Formwork system. Aluminium formwork technology has proven useful as the HDC continues to undertake value engineering and has several benefits, including: faster construction times; reduced costs, and fewer errors/reduced incidence of faulty work.

xiv. The Corporation explore alternative types of home mortgages to provide customers with more financing options. Perhaps the following home mortgages can be explored:-

a. **Fixed rate mortgage where the interest rate stays the same over the stated period;**
b. **Adjustable-rate or variable-rate mortgage which would offer a lower initial rate of interest than fixed rate mortgages;**
c. **A protected services loan, which guarantees loans to eligible members of the protected forces, retirees, active personnel and surviving spouses. This can offer competitive rates, low or no down payments;**
d. **Interest only where the borrower pays only the interest on the loan, in monthly payments, for a fixed term; and**
e. **A reverse mortgage which would allow seniors to convert equity in their homes to cash so that they would not have to pay back the loan and interest as long as they live in the house.**

The HDC no longer offers in-house mortgages to beneficiaries. The preference is for all future mortgages to be sourced from third party financial houses. This decision was made because:

- ✓ It was felt that third parties such as TTMF would be better suited to offer a wider variety of financial products and alternative financing solutions to customers
- ✓ It allowed the HDC to focus on its construction and development portfolio instead of also managing the financial burden of providing mortgages. This was expected to result in

increased productivity of the units charged with construction management and more efficient delivery of homes to a growing database of beneficiaries

- ✓ The receipt of one lump sum for each mortgage transaction would quicker fund the expansion construction activity
- ✓ The HDC experienced a large amount of delinquency in the repayment of in-house mortgages, necessitating extensive and expensive engagement with collection agencies.

xv. The HDC's Training and Development Unit continue to forge partnerships and collaborations with relevant agencies to ensure the delivery of effective training and certification of its workforce. Additionally, the Committee recommends that the Unit continue to keep abreast of all the different training programmes available to staff, both locally and internationally.

The HDC agrees with the recommendation of the Committee and has undertaken several training activities in collaboration with a number of organisations. Other training opportunities continue to be pursued.

xvi. Contractors that have developed a reputation of poor workmanship and a high frequency of cost and timeline deviations should not be awarded contracts in the future unless they are able to demonstrate that they have the capacity to deliver projects at the required standards.

The assessment of contractors at the HDC is two-fold.

First, at the procurement stage, contractors must demonstrate their performance on similar projects via references from other state and/or private sector enterprises in order to be considered for tendering. This is a significant component of assessment at the procurement stage

Second, construction performance data is captured during the construction phase on all contractors. This assists the management team in making decisions based on data and determines the nature of instructions issued to contractors during the construction phase and within the scope of their respective contracts.

If a contractor completes the construction cycle, performance data is used in subsequent procurement activities, expanding the pool of competent contractors available to the HDC.

Appendix I

Estates covered by the HDC's *Design and Installation of Fire Detection, Standpipes and Fire Hose System for Multi-storey Estates programme*

Zone	**Location**
Contractor: Cole and Associates	
	Maloney Estate
	Oropune (NH)
	Oropune (IEC)
Zone 1	Pleasantville
	St. Joseph Road/Picadilly Street
	Almond Drive
	Harding Place
	St. Francois Valley Road
Zone 2	La Gota Heights
	Embacadere
	Paradise Heights
	Mango Rose
Contractor: Water Tech Limited	
	St. Joseph Road/Picadilly Street
	Mountain View
Zone 3	Roy Joseph
	Leon Street
	Olera Heights
	Clifton Towers
	De Freitas Street, St. James
	Duncan Street
	Macano Quarry (Canada)
Zone 4	Beverly Hills
	Orchid Gardens
	Bath Street
To be tendered	
	Hirondelle Street
	Nelson Street
Zone 5	George Street
	Foster Quevado Road
	Clifton Hill, St. Paul Street
	Madoo Heights
	Dorata Street
Zone 6	Belmont Terrace (Awai Lands)
	Plaisance Trace
	180 Western Main Road
	Ramdial Mahabir (Mahabir Court)
	Mango Rose – Jackson Place Duke Street, Picadilly Street
Zone 7	Barataria

	Ethel Street
	Breezy Heights
	Powder Magazine, Phase 1
	Majorie Street
	Annabelle Street
Zone 8	Powder Magazine, Phase 2
	Charford Court
	Jamadar Street
	Harpe Place
	Cane Street
Zone 9	Ramsaran Street
	Methuen Street
	Gilda Street
	Corinth
	Prince Street
Zone 10	Jennifer Street
	June Street
	Lady Hailes
	Independence Square
	Spree Simon (St. Paul Street)
Zone 11	Mon Repos
	Harmony Hall
	Peas Tree
	Lawrence Street
Zone 12	Rushworth Street
	Basilon Court
	Don Santos