

Cabinet wants changes to HDC housing policy

\\ Renuka Singh

A 2016 CABINET directive to the Housing Development Corporation (HDC) gave specific directions regarding the new policy initiatives for the construction of houses and it did not include the provision of guarantees in the Public/Private Partnership (PPP).

According to the three-page document re-

ceived by the *Express*, after a Cabinet meeting in February 18, 2016, Cabinet Minute 237 was issued in which Cabinet “agreed to approve new policies initiatives at the HDC”.

The *Sunday Express* yesterday reported that the Government’s first public/private partnership (PPP) venture between the Housing Development Corporation (HDC) and Emile Elias’ NH International (Caribbean) Ltd – for construction of a \$145 million 160-unit apartment complex named Mahogany Court at Mt Hope – is in trouble.

Cabinet’s new policies detailed the steps to be taken by the HDC to invite expressions of interest and listed plans to merge the Trinidad and Tobago Mortgage Finance Co Ltd with the Home Mortgage Bank. That joint mortgage company would then finance projects.

According to the letter to the HDC signed by the permanent secretary of the Ministry of Housing and Urban Development, the HDC would first extend an invitation for an Expression

of Interest to the land developers and contractors in the private sector for Government housing development.

“The objective is to harness the large sums of money available in the private sector by encouraging private individuals with access to funds to invest in the Housing Programme which would result in a greater earning on their investment,” the letter stated.

According to the Cabinet directions, there is no provision for the Government to provide any guarantee for the PPP housing projects.

Notable also among the new policies are provisions for contractors and developers to be paid upon the completion of the project.

“The HDC would ensure that contractors/developers are paid from the Housing Programme pool of mortgage funds upon completion of their projects; the finalisation of payments would be made within two months of the submission of the completion certificate of the project,” the guidelines stated.

The HDC would also assess the sites offered for development and “before the developer’s proposal is accepted the HDC would ensure that the proper title arrangements for

properties are in place”.

The PPP directions for HDC also ensured that the chosen contractor or developer provide a model house for display purposes on the site.

“The HDC would ensure that the pricing arrangements with contractors/developers would be undertaken in a manner to achieve value for money through competition and fairness within the programme; the HDC would undertake to invite and review, with value for money in mind, contractors/developers proposals in keeping with the HDC’s requirements in respect of specifications, building codes and adherence to statutory approvals.”

Once the project is ready for the market, the HDC would begin the “pre-qualification process with the applicants who have been selected from the Housing Application Fulfilment System (HAFS) database”.

The HDC “would collect initial deposit as required for mortgage loans from pre-qualified applications and finalise payment for house with land developer/contractor within two months of completion certificate or a certificate of practical completion”.