

1.0 INTRODUCTION

1.1 PURPOSE

1. This document sets out the proposed policy of the Government of Jamaica for joint-venture activities in the provision of housing solutions. It presents an outline of the trends in housing development in Jamaica and current strategies being employed, describes different types of joint venture arrangements, highlights the benefits to participants, sets out the criteria for joint venture activity, and outlines the roles of the Ministry, its agencies and other stakeholders involved.

2. This document serves to guide the collaborative process of housing development embarked on by the MWH and other government agencies involved in the implementation of housing solutions. These agencies include the National Housing Trust (NHT), the National Housing Development Corporation (NHDC) and Jamaica Mortgage Bank (JMB), among others.

3. The primary focus of this policy document is developments being undertaken under the Housing Act and on lands owned by the Government however, it also provides guidance for developments being undertaken on privately owned lands but which are being facilitated by the Ministry of Housing.

1.2 BACKGROUND

4. The provision of affordable housing for low/middle-income families has been at the forefront of national development plans since the early 1950s. In working towards this goal, various policy options, housing strategies, programmes and projects have been developed and the approach to housing strategy and policy has evolved and changed throughout the decades. Traditionally, the role of the Ministry of Housing was the provision of houses for the lower-income market sector. In the mid-1980s however, the Ministry's role shifted from housing construction to enabling and regulating housing development. Through this approach, the Ministry, while working in concert with other ministries and agencies, sought to effectively develop and manage the sector. A new policy guideline - The National Shelter Sector Strategy - was completed in 1987 and this approach extended the regulatory, coordinating and enabling strategy of the Ministry.

5. The National Shelter Sector Strategy (1987) was developed out of the crises that existed in the housing sector in the 1980s, and represented the GOJ's creative response to providing housing solutions. The objectives of the shelter strategy were to:

- (i) Create the market conditions, provide the incentives, and facilitate the flow of resources to augment the supply of shelter.
- (ii) Accelerate home improvement and the upgrading and transformation of the housing stock in order that shelter of adequate quality may be available to the population as a whole.
- (iii) Make shelter programme more accessible to the poor.
- (iv) Encourage greater private sector participation in housing development.

6. To achieve the above, solutions offered by Government focused on affordability and target groups. An evaluation of the current trends and development efforts in the housing sector were undertaken with a view to identifying the policies and strategies required to further meet the objectives. The evaluation included:

- An assessment of housing needs
- An analysis of the housing market; and
- A review of financial, land, legal and technical aspects of the sector.

7. In 1987, when the shelter strategy was developed, the housing sector exhibited the following characteristics:

- A formal sector that comprises the private sector catering to upper - income groups and the public sector for middle and moderate - income groups. This sector concentrates on providing completed units.
- Lack of collaboration between the private and public sectors resulting in separate funding mechanisms, interest rate structures and underwriting procedures.
- A decline in formal housing investment from 24% of GDP in 1980 to 1.0 % in 1985.
- An average annual production of units by the formal sector between 1971 and 1986 of 3,500, approximately one-fourth of annual estimated housing needs.

- A critical shortage of funds in the public sector, resulting in a dependence on external financing for most low-income shelter programmes.

8. Arising from this Strategy, there was an intensification of the enabling approach by the Government leading into the 1990s. As a result, there was significant investment in housing by the informal sector, which according to studies in the early 1990s, accounted for 50-70 per cent of new housing solutions. It therefore became necessary for Government to set new goals and targets for shelter solutions. These were aimed at new housing as well as the upgrading of existing housing and related services, and included the provision of:

- Surveyed and serviced lots for low-income families.
- A higher standard of infrastructure and individual titles to consolidate squatter settlements; and
- Core, starter, and shell houses for those families in slightly higher income brackets.

9. The Housing Ministry forged closer alliances with the private sector, other public-sector agencies, Non-Governmental Organizations and other players involved in the housing sector, through joint-venture partnerships. The evolution and rapid growth of this approach provides the basis for the formulation of the current joint venture policy by the GOJ/Ministry of Housing.

2.0 THE VISION AND MISSION

10. The Vision of the Ministry of Water and Housing with respect to housing is to “provide affordable housing solutions within the framework of the National Settlement Strategy”.

11. The Mission is to develop (plan, design and implement) national housing policies; facilitate the implementation of plan(s) and strategies for the development and construction of housing solutions within the context of national development, paying attention to the Industrial, Land and Settlement Policies and Strategies for Jamaica.

12. The Ministry, through the Housing Directorate is mandated to implement policies, strategies and programmes geared at enabling, facilitating and managing the development and construction of affordable, safe and legal housing solutions for all Jamaicans by the year 2025. This, it will do by implementing the Habitat Agenda and seeking to achieve its twin goals of providing “*Adequate Shelter for All*” and “*Sustainable Human Settlements Development within an Urbanizing World*”.

3.0 THE JOINT VENTURE PROGRAMME

3.1 OBJECTIVE OF THE PROGRAMME

13. The goal of the JV programme is to ensure that adequate affordable housing solutions are built in keeping with Government policies and programmes, while optimizing and maximizing the use of all resources input into the process and the product of shelter delivery. The programme also aims at the cost recovery of inputs including land, while securing financial, economic and social benefits. This approach is beneficial for all the stakeholders, with emphasis on the purchaser.

14. In order to ensure that a wide cross section of the population benefit from the Joint Venture programme several options are encouraged including:

- Quality and cost effective type solutions
- Urban In-fill and Inner-City Redevelopment ventures
- Freehold and rental type joint venture projects.

15. The objective of this policy is to improve the efficiency, transparency and equity of the operations of the Government's Joint Venture Programme. This policy is expected to form the platform for Partnerships that will guide investments into the housing sector, producing efficient use of scarce government resources as they are matched with the financial strength and enterprise of the private sector to enable more affordable and adequate housing solutions.

16. The high incidence of squatting, the erection of buildings and the growth of communities without planning or other approvals, inadequate provision of infrastructure and environmental considerations are some of the critical issues, which the Joint Venture Policy will help to address.

17. This policy will also seek to further enhance programmes, which have impacted positively on settlement. These include:

- The establishment of the NHT, and the policy decision to offer longer-term interest rates ranging from 2%-9% (interest rates as at August 2002) for contributors of the Trust.
- The relaxation of the "means test" by Building Societies as well as joint projects between the Building Societies and the NHT.

- The promulgation of various pieces of legislation dealing with planning, environment, water resources etc.
- The positive role that the Urban Development Corporation has played in national and urban planning and development.
- The establishment of the Jamaica Mortgage Bank.
- The implementation of the Operation PRIDE Programme and other housing strategies of the government and the Ministry of Housing over the last 30 years.

3.2 RATIONALE FOR THE JOINT VENTURE POLICY

18. Based on a market demand analysis, current shelter needs show that Government must respond to a widened range of shelter needs and this response should include upgrading, extension and the provision of basic amenities. In addition, a greater effort should be made to provide solutions to the target income groups of low and middle-income families.

19. Findings from the National Housing Trust (March 1999) indicated that for 1997, the necessary dwellings to accommodate the population was 647,194, that is 228,588 for the Kingston Metropolitan Region (KMR) and 418,616 for all other parishes. The deficit in housing units was 11,393 for the KMR and 17,110 for the remaining parishes. The study also indicated that a total of 6,919 new units would have to be constructed annually to clear the deficit and that an additional 10,191 units to accommodate new households would be needed each year between 1997 and 2002.

20. The Ministry of Water and Housing has entered into Joint Venture partnerships from as early as 1975 and while these have yielded a number of housing solutions, the Ministry is desirous of incorporating greater transparency and accountability into the process. From our historical experience this policy is needed to ensure that greater emphasis is placed on the following specific issues: site selection, establishing objective criteria for the selection of partners and ensuring that the process is driven by the GOJ instead of the private sector.

21. Historically, housing starts and completion data, show that the government intervention through the involvement of the Ministry of Housing and other public sector agencies in the housing delivery process results in a greater supply of affordable housing. The following table provides a summary for the period 1982 to 2000.

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HOUSING STARTS AND COMPLETIONS BY THE PUBLIC AND PRIVATE SECTOR BETWEEN 1982 AND 2000.

YEARS	<u>HOUSING STARTS</u>			<u>HOUSING COMPLETION</u>		
	PUBLIC	PRIVATE	TOTAL	PUBLIC	PRIVATE	TOTAL
1982	2036	1327	3363	5019	1210	6229
1983	3728	966	4694	2406	2108	4514
1984	2885	229	3114	2740	392	3132
1985	727	18	745	1556	265	1821
1986	1626	275	1901	2121	59	2180
1987	1524	450	1974	2046	62	2108
1988	3469	123	3592	2426	150	2576
1989	3838	514	4352	3616	200	3816
1990	2132	938	3070	2132	667	2799
1991	3690	1120	4810	2904	899	3803
1992	3132	2578	5710	2504	2699	5203
1993	2375	3670	6045	2474	3573	6047
1994	1853	2532	4385	2041	5128	7169
1995	7508	3340	10848	8185	2599	10784
1996	3213	438	3651	2077	556	2633
1997	4407	164	4571	4331	80	4411
1998	3203	821	4024	2011	761	2802
1999	3096	1070	4166	5712	1286	6998
2000	7601	576	8177	4599	370	4969

Source: Compiled by the Research Unit, Ministry of Water & Housing, from Economic and Social Survey Publications of the Planning Institute of Jamaica

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The following table sets out the joint venture agreements that have been reached since 1997, provides a status report on the type of solutions provided, and identifies those projects that have been completed.

JOINT VENTURE HOUSING STARTS/COMPLETIONS FOR THE PERIOD 1997 – 2000

YEAR	PROJECT	DESCRIPTION	START	COMPLETION
1997	Gazeland Meadows, St. Elizabeth	112 lots / infrastructure		May 1997
	West Cumberland, St. Catherine	939 units / infrastructure	March 1997	November 2000
	Angel Estate, St. Catherine	475 units / infrastructure	January 1997	December 1999
TOTAL		1414 Solutions		
1998	Cedar Grove, St. Catherine	737 lots / infrastructure	August 1998	August 1999
	Industry Pen, St. Mary	237 lots / infrastructure	July 1998	September 1999
	Moneague Phase 2, St. Ann	196 lots / infrastructure	July 1998	June 1999
	Red Hills Pen, St. Thomas	145 units / infrastructure	September 1998	
TOTAL		1315 Solutions		
1999	Norwich, Portland	65 lots / infrastructure	October 1999	
	Toby Abbot, Clarendon	475 lots / infrastructure	June 1999	
	White Water, St. Catherine	719 units / infrastructure	October 1999	
	Palmers Cross, Clarendon	220 units / infrastructure	September 1999	
	Cedar Grove -New Era, St. Catherine	90 units	June 1999	
	Yallahs phase 3, St. Thomas	169 units	March 1999	
TOTAL		1738 Solutions		
2000	Iter boreale, St. Mary	61 lots / infrastructure	January 2000	
	33 Dewsbury Ave, St. Andrew	5 houses / infrastructure	April 2000	
TOTAL		66 Solutions		

Source: Joint Venture Unit, Ministry of Water & Housing

4.0 KEY CONCEPTS

4.1 SCOPE OF THE POLICY

22. This policy document is intended to guide all joint-venture housing activities undertaken by the Ministry of Housing with the exception of the Operation PRIDE programme, which is governed by its own policy.

4.2 DEFINITIONS

23. A joint venture is a partnership developed to ensure that the best technically sound, financially viable and economically affordable solutions are obtained to meet the national shelter needs through planned, sustainable communities. This approach involves the horizontal coordination of initiatives by the various stakeholders.

For the purpose of this policy, joint venture developments will be separated into two categories based on the ownership of the lands to be used:

1. Joint Venture - where the land is owned by the government (Minister of Housing or Commissioner of Lands) and is leveraged as equity in the development.
2. Private Sector Facilitation - where the land is owned by the private developer.

In addition to the ownership of the lands the private sector facilitation developments differ from the joint venture developments as follows:

- a) The Ministry will not take a share of the profits.
- b) There will be no joint account with the Ministry and the developers.
- c) Developers are required to register with the Real Estate Board.
- d) The Administrative fees charged by the Ministry are lower.
- e) The developer may use the lands as security to obtain financing for the development.
- f) The Ministry has no liability for deposits or other monies paid in respect of the development.

The recommended price ranges for solutions developed under the Private Sector Facilitation programme are as follows:

Service Lot*	380,000 – 590,000
Service Lot **	420,000 – 660,000
Studio	840,000 – 1,300,000
Two-bedroom	1,440,000 – 2,250,000

* on site sewage disposal (approx. 4500 square feet)

** centralized sewage disposal (approx. 4500 square feet)

(Prices based on NHT Project Proposal Information – July 01,2001. The Ministry reserves the right to adjust the prices periodically and advise Cabinet accordingly)

4.3 OPERATIONAL GUIDELINES

24. Where the Government is initiating the project on its own lands, the project is to be advertised in keeping with the National Land Policy (1996) and the National Contracts Commission Guidelines. This is necessary to ensure transparency, fairness and equity, as well as to secure the most effective and efficient housing solution in terms of costs, technical and material systems and other input.

25. Risks associated with Joint Venture Projects will be addressed as follows: -

- i. Where construction does not commence within six months after signing, the Minister after giving consideration to the reasons may grant an extension or rescind the agreement.
- ii. Where a project is aborted (a) the land and equity placed in the land will revert to the owner (b) responsibility for refund of deposits collected from would be purchasers will be shared between the Ministry and the Joint Venture Partner, where the Ministry is the owner of the land.
- iii. Where a project is not completed on time and the delay is due to any action on the part of the developer, the Ministry may (a) grant an extension, (b) interest will accrue on the price of the land. Extension of time may be granted where the delays are not caused by negligence or improper management practices (e.g. acts of God).
- iv. Where there is a breach of agreement on the part of the government that leads to cost being incurred by the developer, the developer may take steps to obtain compensation. The Ministry is however not liable for any delays resulting from the action of any government agencies.

26. The Minister, based on technical advice has the right to (a) complete a project (b) discontinue a project which is in breach of the terms of the contract.

4.4 TYPES OF JOINT-VENTURE ARRANGEMENTS

27. The Minister of Housing and the statutory agencies that fall under the Ministry are empowered to enter into JV partnerships with any agency or institution (national or international) that satisfies the criteria. The primary stakeholders and Joint-Venture partnerships fall into two important groups viz.:

- The Public Sector, which sets and regulates the legal framework and determines the allocation and use of public resources.
- The Private sector, which brings private resources in response to market signals, and which responds to incentives provided by the public sector. The private sector is considered a valuable partner as it operates in a competitive market environment, has the capacity for efficient process and product delivery, and is sensitive to issues of quality.

28. The partners may include:

- Commercial entities
- Non-Governmental Organization (NGOs)
- Community-Based Organizations (CBOs)
- International agencies/companies

29. Depending on the type of alliance that is formed this may result in the following types of partnerships:

- Public/Private (Local/International)
- Public/Public (Local or International)
- Public/NGO (Local/International)
- Private/NGO/Public (Local or International)

30. Partnerships with private foreign investors are also encouraged. The investor is required to provide Foreign Direct Investment, which must be equivalent to at least 30% of the interim financing cost of the project. This approach enables the funds of local institutions that lend for residential construction to be reserved for developers domiciled in Jamaica.

5.0 GUIDELINES

31. The following guidelines will be applied to all Joint Venture and Private Sector Facilitation partnerships where the Ministry of Housing functions in the capacity of enabler or facilitator of a housing development.

5.1 ROLE OF THE JOINT-VENTURE PARTNER

Planning

- 1) The partner must consider the environmental impact in planning and integrate the environmental impact assessment into the project cycle at all stages of project development.
- 2) The partner must use appropriate technology and housing typology to ensure maximum safety in the event of natural disasters such as hurricanes and earthquakes.
- 3) The partner must observe safety guidelines and building codes approved by the Jamaica Bureau of Standards and the approval agencies.
- 4) The partner must promote harmonious ecologically sound practices by applying and integrating water and energy efficient and environmentally friendly technologies, for example, low-volume water closets, motion detecting faucets, energy-efficient lighting and other devices, such as solar energy technologies.
- 5) The partner must ensure that copies of a properly designed plan are prepared and submitted. These should include: lay-out with respect to density, active and passive green spaces, social services, water supply, sewage, road, light, drainage, demographic and socio-cultural considerations. The plan should also satisfy spatial, social, environmental and economic needs.
- 6) The partner must commit to the formation of a sustainable community by measures including but not limited to provision of street signs and lighting, active community facilities/space showing consideration to play areas and day care, community, health, social and commercial centres.
- 7) The partner must develop and landscape social and physical infrastructure such as recreational/community facilities and roadways as part of the project implementation and hand them over to the community or other relevant authorities at the specified time.
- 8) The partner must ensure that all the support services/infrastructure are put in place at the same time that the residential units are constructed so that the needs of the purchasers are met as soon as they occupy the units.

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- 9) The partner will be responsible and liable for all infrastructure works, as defined by the relevant agencies, within the Defects Liability Period of six (6) months for houses and twelve (12) months for general infrastructure, and the interim period prior to the handing over of the project to the relevant authorities. The Parish Council/KSAC should be integrally involved during the construction period by way of periodic inspections prior to handover.
- 10) The partner must ensure that the plan for the development is pre-checked by the Survey Department.

Management

- 11) The partner will be subject to monitoring action from the Ministry in all phases of the project – Planning, Design, Implementation, Accounting, and Evaluation.
- 12) The company must be duly registered or incorporated under the Companies Act of Jamaica and be in possession of an original, valid Tax Compliance Certificate (TCC), Taxpayer Registration Number (TRN) and should be able to demonstrate proof of payment of all applicable land taxes and public utility bills.
- 13) Proof of current professional registration and where applicable, NCC registration for all professionals and subcontractors must be provided.
- 14) The company must provide information on the Board of Directors, the Management Team, the majority shareholders and their percentage shares in the company
- 15) The names of Auditors and Attorneys-at-Law for the company must be provided.
- 16) A company profile must accompany any project proposal and the company must demonstrate competence in housing development or infrastructure construction and other development issues such as sound environmental practices, project management, and the integration of socio-cultural norms in housing development during the past five years (individually or as a company).
- 17) The last two audited financial statements of the company must be submitted.
- 18) All proposed developers must consent to background checks.
- 19) The partner must submit to the Ministry any subcontract related to the project that has been entered into with contractors and other professionals or for the purpose of obtaining loans/financing.

Financial

- 20) The partner must be in a position to secure interim financing to develop the project. The equity investment of the developer should cover the costs of all professional fees and preliminary costs, which is estimated to be 20% of the development cost of the project.
- 21) The partner is expressly precluded from collecting any deposit prior to the opening of the Joint Venture account with the Ministry. The developer is to ensure that all deposits and further payments received are immediately lodged to the Joint Venture escrow account opened specifically. Monthly statements from said account made available to both the Ministry and the Joint Venture Partner accompanied by.
- 22) The partner must satisfy the requirements of the **tender process**, where applicable i.e. for projects, which are packaged and **advertised** (refer to the National Contracts Commission Tender Process).
- 23) Proof of current registration with the NCC must be provided where the developer will also act as the contractor for a project.
- 24) Overseas partners are required to source at least 30% of the interim financing from sources external to Jamaica. Interim financing in this instance refers to capital required to undertake construction after professional and other fees have been deducted.
- 25) The partner must demonstrate the ability to access at least 15% of the required financing within 60 days of signing the Joint Venture Agreement.
- 26) The partner will not have to pay interest to the Minister on the value of the land, if the project is completed within the project duration time specified within the agreement.
- 27) Where a project is not completed within the specified timeframe, interest on the outstanding balance on the land shall accrue commencing on the first day of the first month following expiration of the contractual project duration. The interest charged shall be commensurate with the Bank of Jamaica Treasury Bill rate at the time of the application of the interest.
- 28) The partner shall keep proper books of accounts of project and make these books available for inspection by persons duly authorized by the Minister within ten (10) working days of the request. Should the request not met be within the time specified the Ministry is authorized to take punitive and/or legal action as is deemed necessary. The fees expended for the keeping of the books or charged for the inspection of same, shall be a cost charged to the development.
- 29) The partner shall demonstrate that any savings obtained as a result of the Ministry's involvement in the development will accrue to the purchaser via presentation of development budgets.

- 30) In addition to the aforementioned, partners who are entering into the private sector facilitation agreement must satisfy the following requirements:
1. Provide proof of ownership of the land or consent of owner (s) for the utilization of the land for development and provide proof that the land is free from encumbrances and occupation.
 2. Demonstrate a willingness to transfer the land into the name of the Minister of Housing.
 3. Demonstrate the ability to have 100% of financing accessible within 60 days of approval under the Housing Act (may include purchasers' deposits)
 4. Demonstrate market demand including an affordability analysis
 5. Ensure that the Development Company and the development scheme are registered with the Real Estate Board.
 6. Ensure that all deposits and other monies received in respect of land and/or housing units are lodged in a trust account opened specifically for that purpose at a bank or other authorized financial institution.

5.2 ROLE OF THE MINISTRY AND ITS AGENCIES

Planning

- 1) Ensure that the site to be developed:
 - a) is free of any encumbrance that will impede the development
 - b) falls within other existing settlements or development nodes, or has other justification for its location.
 - c) has an adequately prepared project brief/tender documents for submission to all interested applicants (developers).
- 2) Ensure that sites are carefully chosen so as to maximize the safety of the developments and minimize natural disasters.
- 3) Ensure as far as possible, the conservation of natural resources and the protection of natural resources with commercial value.
- 4) Ensure that environmental considerations are addressed during the preliminary stages of the project development.
- 5) Facilitate the acquisition of lands where necessary for the purpose of Joint Venture Projects.

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- 6) Ensure that the partner supplies properly prepared sub-division, conceptual (background information) and site location plans for submission to the relevant authorities to enable speedy and proper assessment of the project. This is necessary whenever there is a negotiated agreement rather than the tender/ advertisement process where the specifications of the project would have been established.
- 7) Provide support for research into and the use of indigenous resources.
- 8) Ensure that sustainable environmental and land use practices are followed.
- 9) Ensure that the National Land Policy's efforts to reserve classes I, II and III agricultural lands as well as lands containing mineral reserves and those important for the recharging of the water resources, are taken into account and that as far as possible, there is adherence to the settlement strategy.
- 10) Ensure that:
 - i. the provisions of the following laws are adhered to:
 - *The Housing Act, 1968*
 - *The Natural Resources Conservation Authority Act (1991)*
 - *The Financial Administration and Audit Act*
 - ii. as far as possible the development is guided by the following planning laws and policies:
 - *The Real Estate (Dealers and Developers) Act, 1987.*
 - *The Town and Country Planning Act (1958)*
 - *The Local Improvements Act (1914)*
 - *The Local Improvements (Community Amenities) Act (1914)*
 - *The Land Policy (1996)*
 - *The KSAC Building Act*
 - *The Parish Council Building Act*
 - *The Registration (Strata Titles) Act*
- 11) Provide policy guidance in respect to demographic and construction trends particularly as it relates to material, designs and market conditions.
- 12) Ensure that the splinter titles are made available in a timely fashion. Where the development falls in the Joint Venture category, the carriage of sale over lots must reside with the Ministry of Housing however where the development falls in the Private Sector Facilitation category, this is optional. (Where the Ministry does not have adequate resources to undertake the carriage of sale, this activity will be sub-contracted).

Management

- 13) Declare the lands under the *Housing Act* at a cost to the project
- 14) Assess the feasibility of the project; monitor, report and evaluate all JV projects, employ all the necessary project officers/ personnel at a cost to the projects or JV programme.
- 15) Provide administrative support and legal services at a cost to the project. The administrative fees should typically range from 2-4 % of construction costs for Joint Venture developments and 1-2% for the Private Sector Facilitation developments, with the actual percentage being determined by the complexity and duration of the project, the level of input of planning by the Ministry, the type of housing solution produced as well as the principle of full cost recovery for project management services.
- 16) Provide or have access to technological and technical resources; where this is not readily available within the Government and its agencies, these will be procured as a cost to the projects/ JV programme.
- 17) Ensure that where the government subsidizes the development, the units are sold to first-time homeowners ¹or to homeowners who intend to sell their current home in order to purchase another.
- 18) In the event that condition 17) is breached, ensure that the subsidy is removed from the cost of the unit in question and monies are refunded as necessary.
- 19) Appoint a committee to analyze the feasibility of projects and make recommendations to the Board.
- 20) Introduce greater transparency in the selection of projects by utilizing an independent body to determine which projects should be approved based on the recommendation of the sub-committee.

Financial

- 21) Ensure that where the lands used for the development are owned by an entity other than the Ministry of Housing, the owner of the land is compensated within a mutually accepted timeframe.
- 22) Obtain a return of no less than the market value of its land, unless otherwise approved by Cabinet e.g. to support social housing (as a subsidy) or any other justification. The Commissioner of Land Valuation or any valuer approved by the Commissioner, will be used to value all lands owned by the Ministry of Housing.

¹ As defined by the National Housing Trust

- 23) Ensure that where the Government provides lands for a Joint Venture Project, the Minister has the right of first refusal in the event of the sale of the land within ten years of the date of transfer. Note that the Minister shall reserve the right to apply a penalty equivalent to 25% of the capital gains ensuing from this transaction.
- 24) Establish a Joint Venture escrow account in conjunction with the Joint Venture Partner for accepting purchasers' deposits. The Ministry reserves the right to select the financial institution to be used. A minimum of ten percent of the total deposit is to be retained in the Joint Venture account until the infrastructure is handed over to the local authority. The deposit will be utilized, if necessary, to remedy any defects in infrastructure during the defects liability period
- 25) Assist developers in accessing information to secure any financial and other benefits or incentives from Government and its agencies such as JAMPRO.
- 26) The Minister shall negotiate each joint venture contract and seek the approval of Cabinet for the execution of the agreement.
- 27) Have the Joint Venture Proposal reviewed by an independent person or body so designated to ascertain the merits and limitations of each proposal in a transparent manner.

5.3 COLLECTIVE DUTIES AND OBLIGATIONS OF THE PARTIES

- 1) Withdrawals to cover the cost of work done and materials supplied in the construction of the development shall be administered similarly to the provisions of the Real Estate (Dealers and Developers) Act.
- 2) Facilitate the appointment of a committee of six (6) members, three (3) nominees of the Minister and three (3) nominees of the Developer for the purpose of administering the development and making decisions that from time to time are required. The committee shall, at a minimum, meet on a monthly basis throughout the life of the development and the quorum of any meeting shall be four (4) in number.
- 3) The Attorney General's department will approve a standard Joint Venture Agreement which will be tailored as necessary for each development, however, where there extenuating circumstances which warrant special consideration of the content of an individual agreement, this will be referred to the Attorney General's department.
- 4) The Committee and the Legal Department of the Ministry shall approve the form and content of the Agreements for Sale for the individual lots.
- 5) The Developer shall submit to the Committee copies of all agreements and contracts between the Developer and any third party that relates to the execution and completion of the Joint Venture Agreement.

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- 6) The Committee shall ensure that the sale prices of lots and/or units are jointly set, based upon the development budget, by the Ministry and the Developer and are only modified (escalated) for certified increases in material, equipment and labour costs. Any modification in the sale price must have the written approval of the Minister.
- 7) The Committee shall approve the project team and has the right to appoint a Quantity Surveyor or other professionals to monitor the progress of the work. The Minister may appoint a representative to advise him on the progress of the development and make any fees chargeable in respect of this representative an expense to the development.
- 8) The Joint Venture Project will be terminated:
 - a) if any Joint Venture Partner commits a breach of any obligation under the Agreement and does not remedy it within 60 days of receipt of written notice to effect remedial action. If remedial work commenced but will not be completed within the stipulated period, providing it is evident that the Joint Venture Partner is making reasonable efforts to repair the breach, the project will not be terminated.
 - b) where a Joint Venture Partner becomes bankrupt or goes into liquidation either voluntarily or compulsorily.
 - c) In either case the Partner not in default may by written notice terminate the Agreement without prejudicing the right of any Partner to sue for any antecedent breach of the Agreement by another. Where termination occurs any Joint Venture Partner not in default shall have the right to complete the development and pay to the Minister the balance of the agreed sale price of the land and other outstanding costs or deliver the agreed lots in lieu of cash.
- 9) Developers who satisfy the criteria will sign a contract with the Minister of Housing and the terms and conditions regarding the execution of the particular project will be embodied therein.
- 10) Where a development company and the contractor have mutual shareholding within a company seeking to undertake a joint venture project with the Ministry then a tripartite agreement must be signed.

5.4 ROLE OF OTHER MINISTRIES AND AGENCIES

Before the implementation of a joint venture project the following agencies are consulted: Ministry of Transport and Works, the National Environment and Planning Agency (NEPA), the National Water Commission, the Water Resources Authority, the Ministry of Health (Environmental Health Unit), the relevant Parish Council/KSAC and where necessary the Geological Survey Division of the Ministry of Mining and Energy. Assistance is also provided by the following facilitating ministries and agencies: Ministry of Finance and Planning, Ministry of Local Government and Community Development, JAMPRO, National Housing Trust and the Jamaica Mortgage Bank (see Appendix 5).

6.0 STAKEHOLDER BENEFITS

6.1 BENEFITS TO THE PURCHASER

Any subsidies obtained from the Government of Jamaica specifically for the project including but not limited to: savings on land (stamp duty, transfer tax and registration fees), legal charges and ultimately the final cost of the housing solution and the advantage of living in a well-planned community.

6.2 BENEFITS TO THE MINISTRY

Payment for land at market rate (unless a discount is approved by Cabinet, payments for legal and administrative services; administrative charges (to be determined by the level of services provided) and a share in the profit.

6.3 BENEFITS TO PRIVATE/ PUBLIC PARTNER

Savings in cost elements such as, faster approval process under the Housing Act, access to lands, exemptions from stamp duties and transfer taxes, savings on subdivision approval fees from the Parish Councils and KSAC and security in the engagement of business with Government.

7.0 CRITICAL SUCCESS FACTORS

7.1 GENERAL PERFORMANCE MEASURES

- a) The extent to which private sector financial and other resources are mobilized in keeping with the objective to encourage greater private sector participation and partnerships with the government.
- b) The extent to which foreign developers undertake foreign direct investment (FDI) compared with the seeking of local funding from the NHT and other lending institutions.
- c) The extent to which the process is transparent and equitable based on the advertisement and tender process.
- d) The extent to which environmental considerations are taken into account early in the planning process and in the management and implementation practices of the developer during the pre and post construction phases, with a view to promote sustainable development and conservation of Jamaica's limited land resource.
- e) The extent to which developers are encouraged, including obtaining tax and duty concessions, to integrate new construction materials and systems, including water and energy savings devices.
- f) The extent to which the price of housing solutions become more competitive and the housing market conditions improve in favour of a more affordable product, a direct consequence of greater competition as envisaged under the Joint Venture Programme.
- g) The extent to which the Joint Venture programme contributes to the goals of the Habitat Agenda in striving to provide adequate and affordable housing for all and sustainable human settlements developments.

7.2 PROJECT SPECIFIC PERFORMANCE MEASURES

1. An adequate project brief or proposal is completed, which includes technical, financial, social, economic and environmental cost-benefit analyses, among others, and serve as a basis for evaluation as to what was completed *vis-à-vis* what was planned.
2. Projects should be based on a comprehensive plan, whether it is completed independently or in conjunction with the Ministry;
3. The project is completed on time;
4. The project is completed within budget;
5. The project meets all environmental permit and licencing systems, including the completion of Environmental Impact Assessments (EIAs) where applicable;
6.
 - a. The project is built to specifications and certified to be completed in accordance with same specifications and in accordance with the building code(s) approved by the Jamaica Bureau of Standards and the approval agencies.
 - b. The Certificate of Practical Completion must be issued by registered professionals.
7. The project is acceptable to the Local Authority, upon completion;
8. The project is approved on a timely basis;
9. The beneficiary is satisfied with the solution and little or no complaints result;
10. Whether based on a tender process or a negotiated agreement, that there is transparency and equity within the process.

9.0 APPENDICES

Appendix 1: JV PROJECT DEVELOPMENT AND APPROVAL FRAMEWORK

Appendix 1 outlines the project approval process, which obtains for JV projects using the legislative framework of the Housing Act. The roles of various stakeholders involved in the JV approval process are syndicated.

Appendix 2: OUTLINE OF THE FACILITATION PROCESS

Appendix 2 provides an overview of the Private Sector Facilitation Process as well as the sequence of steps involved in the process.

Appendix 3: PROJECTS CHECKLIST

A Housing Joint Venture Projects Checklist is prepared and is an important verification tool. It seeks to gather Preliminary Data on site identification, land ownership, land use, market target etc. and Design/Technical Data in relation to approvals, appointment of professionals, estimates and costing, titles and infrastructural plans.

Appendix 4: LEGISLATIVE FRAMEWORK FOR JV PROJECTS

Appendix 4 specifically outlines the declaration procedures under the Housing Act (1968).

Appendix 5: FACILITATING MINISTRIES AND AGENCIES

Outlines the role of some agencies in the Joint Venture approval process.

Appendix 1.

JV PROJECT DEVELOPMENT AND APPROVAL FRAMEWORK

The Joint Venture Programme of the Ministry of Water and Housing operates primarily within the statute of the *Housing Act* (1968). However, the *Real Estate Dealers and Developers Act* (1987) and the *Natural Resources Conservation Authority (N.R.C.A.) Act* (1991) impact upon the effective operations of the Joint Venture Programme. It is the Minister of Housing, however, who approves the Joint Venture Schemes/Projects under the Housing Act.

In addition, the Land Policy, the Settlement Strategy and other policies such as the Industrial Policy provide guidelines for operation.

An initiative to undertake a Joint Venture Project may take several forms:

- a) Letter of Intent
- b) Formal Conceptual Plan or response to Request for Proposal (RFP)
- c) Commitment within a Master Plan
- d) Ministry Pre-Planned Project (Site)

Step 1.

The land/site, which should ideally be within the boundaries of the growth centers identified in the National Settlement Strategy or other existing settlements so as to maximize resources, may be identified by CBO's, the prospective developers or the Ministry through the Land Administration Division, the Commissioner of Lands or the Technical Services Unit.

Step 2.

Assess the feasibility of the proposed site in keeping with the approved criteria, investigation of ownership and status of title.

Step 3

Develop terms of reference, advertise and invite proposals from prospective partners

Step 4.

Assessment of the prospective developer through:

Project Information Form, Developers Information Form Interview/Background of Developer/Company and detailed proposal. Partner is then selected based on transparent evaluation of proposals received and consideration of capability and qualifications.

Step 5.

Obtain a technical description of the land including:

Volume and Folio
Ownership/Status of Title
Location Map/Diagram and Boundary Plan
Size of Land
Physical characteristics
Existing land use
Proposed Development

Step 6.

Complete initial market research/analysis

Step 7.

Developer prepares preliminary lay-out plans with specifications and particulars relating to roads, water supply, sewage, lighting, mix of Units/Lots, size of Units/Lots, proposed selling price (excluding land cost) and other appropriate designs and submit for review and approval by the Ministry.

Step 8.

- i. Make a submission to Cabinet for approval to negotiate and execute a Joint Venture Agreement.
- ii. Upon receipt of approval, declare the site as a housing area under the Housing Act

Step 9.

The Ministry seeks a valuation for its Land from the Government's valuer the Commissioner of Land Valuation or any valuer approved by the Commissioner.

Step 10.

Detailed design or modifications to include more accurate cost estimates (bill of quantities, land cost, professional fees etc.) and developers' budget, making use of topographical/aerial surveys, where necessary.

Step 11.

The Ministry with follow-up support from the Developer, submits the Development Plans to the relevant authorities as required under the Housing Act and those agencies agreed by the Minister from which objections or representations are sought.

Parish Council (local planning authority) or KSAC: Road drainage and planning requirements (discharge)

N.W.C. : potable water and sewage

NEPA: development permit/license and planning requirements

MOH (EHU) : sewage (design) system

M.O.T.& W. : drainage and roads

WRA: Potable water and sewage

Comments/response from the agencies are expected within six weeks of receipt of submission. After this time if there is no response save and except from NEPA, the Minister may in his discretion approve the scheme.

Step 12

The Ministry at this stage advises the Utility companies, the Ministry of Local Government and Community Development and the National Solid Waste Agency of the proposed development.

Step 13.

After the necessary observations, representation /comments are obtained, the Minister approves the scheme and may or may not take into account the comments of the agencies (as per Housing Act), save and except the comments of NEPA under the NRCA Act.

Step 14.

The Ministry approves the development plans under the *Housing Act (1968)* and signs and seals the record set of drawings.

Step 15.

The Minister of Housing executes the Joint Venture agreement with the Developer, which can be either national or international after notifying Cabinet of the results of the negotiation.

Step 16.

The developer secures and finalizes interim financing

- Local or foreign source
- If foreign investor/developer, it is expected that interim or construction financing will be a foreign exchange input

Step 17.

Initiation of infrastructural construction, including site preparation.

Step 18

The Developer commences preparation of pre-checked /final plans.

Step 19.

Set up Joint- Venture Escrow Account in keeping with the Real Estate Dealers and Developers Act (1991).

Step 20.

Advertising/marketing (in keeping with land policy), naming of community.

Step 21.

Begin processing individual Agreements for Sale

Step 22.

Prepare as-built plans/project implementation and submit relevant information to Titles Office.

Step 23.

On going handing over (turn-key solutions/allotments and title delivery.)

Step 24.

Formation of a sustainable community inclusive of:

- street signs and lighting
- solid waste disposal mechanism
- activate community facilities/space
 - (a) play areas
 - (b) day care centre/community centre
 - (c) health/social/commercial centres
 - (d) community management group

Step 25

Hand over of infrastructure to Parish Council/KSAC, CBO's and other relevant authorities as part of an on-going maintenance plan

Step 26

Ensure that the property is added to the tax roll

Note

The Ministry will monitor the process throughout the life of the project by ensuring the following:

- The Ministry's Project Managers monitor work progress
- Executive Committee formed at agreement stage undertakes administrative, policy and regulatory management of the project
- Technical and financial statements accompanied by copies of pre-payment contracts, presented monthly by developer as well as general progress report
- Monthly project management meetings (or as often as necessary)
- Draft/audited financial statements within six months of project completion
- The Ministry reserves the right to inspect the books of the Joint Venture Partner at all reasonable times.

Appendix 2.

OUTLINE OF THE FACILITATION PROCESS

Housing development on private lands is generally initiated by the Private Sector Partner who has either already acquired, or is in the process of acquiring, land for the purposes of constructing the housing solutions. However, the case may arise where the GOJ has knowledge of land owned by a third party which is available for purchase, and then approaches a company to express interest in facilitating development on these lands.

Once the land purchase has been negotiated by the Private Sector Company, the land is then transferred into the name of the Minister, concurrent with the signing of a joint venture agreement. In the case where the private sector developer submits a proposal prior to acquisition of the land, a single transaction i.e. a direct transfer into the name of the Minister of Housing from the owner, without prior transfer into the name of the Private Sector partner, is recommended, in order to limit the expenditure of transfer tax to that due for a single transaction. When the land is in the name of the Minister of Housing, the land is then declared under the Housing Act, and upon receipt of all approvals from the agencies, the Minister gives Final Approval under the Housing Act, and construction on the site would then commence.

The detailed sequential steps entailed in the Private Sector Facilitation are listed below:

1. Submission of a preliminary proposal or letter of interest.
2. Meeting between GOJ and Private Partner for preliminary discussion.
3. Evaluation of suitability of the partner pursuant to the criteria set out in section 5.1 of the policy.
4. Receipt of copy of title including Volume and Folio number.
5. Verification of land ownership, size of land, legal encumbrances and suitability of site.
6. Site visit by both parties.
7. Written confirmation of the Ministry's interest in receiving a detailed proposal.
8. Preparation of Environmental Impact Assessment study, if required.
9. Receipt of a detailed proposal (*see Appendix 3*).
10. Negotiation of terms of the Facilitation Agreement.
11. Preparation of Cabinet Submission.
12. Declaration of project lands under the Housing Act.
13. Submission of nine (9) copies of full set of working drawings to the Ministry for distribution to the regulatory agencies.

MWH: JOINT VENTURE HOUSING

14. Letter from MWH stating terms of transfer of land and conditions of retransfer.
15. Transfer of land into the name of the Minister of Housing.
16. Submission of technical description and boundary plan for Declaration.
17. Submission of final Development budget.
18. Confirm receipt of approvals/comments from the regulatory agencies.
19. Signing of Facilitation Agreement.
20. Interim financing secured by Private Sector Partner (note that in this instance, lands may be used as collateral).
21. Obtain Final Approval under the Housing Act.
22. Commencement of construction phase.
23. Registration with the Real Estate Board
24. Periodic site visits
25. Monthly meeting of project committee.
26. Submission of monthly status reports.
27. Commencement of sales and marketing.
28. Receipt of monthly administrative and legal fees.
29. Lodging of final/pre-check plan & receipt of examination number.
30. Submission of final/pre-checked plan and splintering of titles.
31. Completion of overall construction work.
32. Handover of infrastructure to the Parish Council, KSAC and other relevant agencies.

Appendix 3.

PROJECT PROPOSAL CHECKLIST

Under the JV agreement, prospective developers are required to submit pertinent data in proposal form to enable a feasibility analysis of the project.

A Joint Venture Proposal is prepared by the Developer and is an important verification tool. It seeks to gather Preliminary Data on site identification, land ownership, land use, market target etc. and Design/Technical Data in relation to approvals, appointment of professionals, estimates and costings, titles and infrastructural plans.

Section 1. Front Cover/Title page

- Name of project
- Location of project
- Date Prepared
- Version/revision number
- Name of Preparer
- Company/Developer's address/tel/fax

Section 2. Table of Contents

Section 3. Company/Developer's Profile

- History/Background
- Relevant project experience
- Qualifications of Directors and members of construction team (Quantity Surveyors, Land Surveyors, Engineers, Architects, Contractor etc.)
- Statement of support/recommendation from a reputable financial institution.

Section 4. Introduction

- Project Justification.
- Executive Summary. This should include the project's objective, which involves the number of solutions to be provided, the mix (i.e. service lots/studios/one bedrooms etc.). This should briefly address the target market, the number of phases to complete development, partners, land sizes, unit sizes, layout, building system and a description of the end product.

Section 5. Area Analysis / Market Demand

- Proximity to existing settlements, facilities, amenities, urban centres, transport route, effective demand, general or average income levels in the area, community stability.
- Proposed selling price, establish target market, include affordability analysis
- Details of proximity to or provision of the following community amenities:
primary/secondary school. Local shopping, park and playground, clinic, hospital, church
- Detail the availability of existing services (distance from project, location):
Police Protection, Garbage collection, fire protection, postal

Section 6. Project Information

- Detailed technical description of land, include, land size, Volume and Folio
- Land value.
- Location map.
- Topography map.
- Current land usage.
- Geo-technical report, soil analysis report.
- Ownership/status of title and a copy of certificate.
- Prices of solutions (service lots/studios/one bedroom etc.)

Section 7. Approvals/Comments

- National Water Commission/Water Resource Authority.
- Ministry of Health (Environment Health Unit)
- National Environment and Planning Agency
- Local Planning Authority.
- National Works Agency

Section 8. Project Description

- Tabulated description of housing mix and phasing strategy if applicable.
- Building system, design development (architectural plans), construction schedule, significant design features or characteristics
- Construction methods and materials.
- Fire protection system and water supply network
- Telephone and electricity network

Section 9. Financial Projection

- Infrastructure Costs
- Construction Costs
- Standing loans
- Sale prices
- Projected budgets (2) showing prices with GOJ involvement and without.
- Cash Flow Projections
- Preliminary Bill of Quantities

Section 10. Annexes

- Additional maps and plans, EIA,
- Current copy of Titles,
- Details of caveats/covenants or other encumbrances
- Resumés of relevant personnel
- Copy of valid TCC and TRN
- Surveyors ID Report/Boundary Plan

DETAILED DATA

After the decision has been taken to develop, more detailed information is required including the following:

1. Developer's budget and the proposed selling price - with/without NHT's or the low cost funds. The developer must clearly demonstrate the saving to be accrued in terms of reduced selling price through the use of NHT's or other low cost funds.

The only adjustment to the original selling prices quoted should be for escalation in materials, labour and equipment hireage rates. There should be no increase for variations, profits and risk.

3. Construction schedule and phasing plan.
4. Engineering Report: Adequacy of existing services and timing of approval and upgrading water supply, sewage disposal, electricity, telephone, roads, storm water drainage, bearing capacity, percolation test, environmental impact assessment, etc.
5. For new housing system approved by the Bureau of Standards, a structural engineer's report on the new building system, materials and design life. Empirical data and lab test results should be supplied. Approvals of the unit from the relevant Parish Council, confirmation of insurability should also be submitted. The Ministry reserves the right to seek additional expert advice to guide its decision-making.
6. Detailed Architectural and Engineering design and working drawings prepared by registered professionals.
7. Copies of approvals from all the relevant Government Agencies.

Appendix 4.

LEGISLATIVE FRAMEWORK

Before a Housing Scheme is approved under the *Housing Act*, the following procedures must be completed:

PREPARATION AND APPROVAL OF (HOUSING) SCHEMES

The following steps are involved in this process:

Step 1: Section 4 (1) B (2) of the Housing Act
Housing Scheme.

- (1) The Minister, after considering the housing conditions in any area and the needs of that area with respect to the provision of further housing accommodation, may cause an area to be defined on a plan and may by order declare the area so defined to be a housing area.
- (2) Whenever the Minister declares any area to be a housing area he shall, within the period prescribed in subsection (2) of section 8, cause to be prepared proposals for the provision of further housing accommodation in that area, (hereinafter in this Act referred to as a housing scheme).

Step 2: Section 8 (1) B (3)

Publication of notice and consideration of Schemes

- (1) Upon the making of an order declaring any area to be a housing area a slum clearance area, or an improvement area, the Minister shall cause to be published in the Gazette and in a local newspaper a notice stating the place where the plan defining such area may be inspected.
- (2) Within nine months after the coming into force of an order declaring any area to be a housing area, a slum clearance area, or an improvement area, or within such further period as the circumstances may require, the Minister shall cause to be prepared a housing scheme, or slum clearance scheme, or improvement scheme, as the case may be, in respect of the area.

- (3) Forthwith upon the preparation of a scheme and before approving it under this Part the Minister shall:

1) cause to be published in the Gazette and a local newspaper a notice stating that the scheme is about to be approved, naming a place where the plan and particulars of the scheme may be inspected, and specifying the time within which and the manner in which objections or representations may be made; and

2) cause a notice to the like effect to be served on every owner and on every other person who to the knowledge of the Minister has an estate or interest in the land in the defined area, except persons holding land on a monthly tenancy or tenancy for a less period:

Provided that failure to serve any such notice shall not in any manner invalidate such scheme; and

3) consider any objection or representations made to him in pursuance of any such notice, and if any person making such objection or representation so requires, afford to that person an opportunity to be heard.

Step 3: Section 9 (1) & (4)

Notification of the local authority affected by scheme:

- (1) The Minister shall, before approving a scheme, cause to be furnished to the Local Authority within whose area the scheme is to be operative, and where the scheme is to be operative within the areas of two or more Local Authorities, to each Local Authority affected by the scheme, (as well as the NWC, the NEPA and any other necessary agency the Minister may choose from time to time), particulars of the scheme for their consideration and representations.
- (2) The particulars to be furnished under subsection (1) shall include specifications and estimates, and particulars relating to roads, water supply, sewerage and lighting, appropriate to the scheme.
- (3) Any Local Authority, (the NWC, NRCA or any other agency) affected by a scheme may, within the prescribed time and in the prescribed manner, submit to the Minister any objections or representations in respect of the scheme which they desire to make.
- (4) The Minister before approving a scheme shall consider any objections or representations made to him in pursuance of this section and shall afford the Local Authority, (the NWC, NRCA or any other agency) making such objections or representations an opportunity to be heard.

APPROVAL OF SCHEMES BY MINISTER

Step 4: Section 10 (a)

Schemes to contain plans and particulars

Every scheme prepared for the approval of the Minister under this Part shall contain the defined area and a statement giving such of the details prescribed in the First Schedule as are applicable, and generally appropriate particulars of such scheme indicating:

- a) the manner in which it is intended that the defined area shall be laid out and the land therein used and, in particular, the land intended to be used for the provision of houses, for roads and for open spaces;
- b) the approximate area of the land to be acquired;
- c) the approximate number and the nature of the houses to be provided;
- d) the average number of houses to be constructed per acre;
- e) if the demolition of existing houses and the erection of new houses are proposed, the type of houses proposed to be erected;
- f) if the total demolition of existing houses is not proposed, the nature of repairs, improvements and reconstruction intended to be made;
- g) the time within which the scheme or any part thereof is to be carried into effect;
- h) the estimated cost of the scheme and the receipts expected to be derived from sales, rents or any other source;
- i) the approximate number of occupants intended to be accommodated;
- j) the arrangements for alternative accommodation elsewhere of occupants;
- k) such incidental, consequential and supplementary provisions (including provisions as to the subsequent variation of the scheme) as may appear to the Minister to be necessary or proper for the purpose of the scheme.

Step 5: Section 11

The Minister may approve any scheme prepared under this Part, or any part of such scheme, either without modification or with such modifications as he thinks fit (including, if he thinks fit, the alteration of the defined area so as to exclude land therefrom but not so as to add land thereto) but if the Minister considers the scheme inadequate he may refuse to approve the scheme and may cause to be prepared and submitted to him an adequate scheme within such time as he may fix, or he may approve the scheme or any part thereof subject to the condition that there be prepared and submitted to him a further scheme within such time as he may think fit.

Appendix 5.

FACILITATING MINISTRIES AND AGENCIES

MINISTRY OF TRANSPORT AND WORKS

The Chief Executive Officer (CEO), National Works Agency in the MOTW is called upon to give comments and advice for joint venture projects, similar to that, which obtains under the Local Improvements Act. While *this is* not a requirement under the Housing Act, the comments are critical in helping to build sustainable housing developments as they provide technical and engineering solutions with respect to drainage (waste water discharge), and road construction. This information is essential in ensuring that proper standards are planned, designed and implemented that will enhance safety and good health and a better quality of life in human settlements. This makes the MOTW an essential partner and stakeholder in the JV process.

NATIONAL ENVIRONMENT AND PLANNING AGENCY (NEPA)

NEPA provides the urban and regional planning framework within which sectoral policies and national investments can be co-coordinated. Physical development plans are usually undertaken through joint-venture public and private initiatives. The Agency facilitates the decentralization of decision-making in planning approval and monitoring processes.

In terms of the joint-venture-housing programme, the Agency has a critical role to play in:

- Ensuring that the development satisfies standards pertaining to the provision of services and community facilities, setbacks from the property boundaries, lot sizes, densities, design and layout.
- Utility standards
- Design criteria for low-income settlements with policy and programme of incremental development involving the beneficiaries of land under approved schemes
- Development of plans for growth points identified in the Settlement Strategy
- Develop limits for all rural and urban settlements which must be delineated to safeguard against urban sprawl and encroachment on agricultural and mining lands
- Safeguarding against unplanned and uncoordinated development.

NEPA through the NRCA Act (1991) and the permit and licence system provides important regulatory and legislative functions relating to environmental conservation and preservation. Environmental Impact Assessments (EIAs) are requirements for most developments and a permit and licence is required for all developments of 10 lots and over. Through the use of these tools, NEPA ensures that environmental considerations

are included in housing project developments in order to safeguard Jamaica's fragile ecosystem, integrate mitigation measures in the development process and thereby promote harmonious development. In collaboration with other stakeholders such as the Environmental Health Unit and the NWC, NEPA has one of the more significant stakeholder functions in the JV process.

NATIONAL WATER COMMISSION

The necessity of water for good health, life and development propelled the government to form a Ministry of Water in 1997. The Ministry together, with the NWC as its primary implementing agency, has undertaken the planning, and management of the country's water (surface and ground) resources and has produced a National Plan, the goal of which is to ensure access of potable water to all households and homes in Jamaica.

The NWC provides water and sewage infrastructure and services for housing developments across the island. In order to promote and facilitate sustainable human settlements developments, the Ministry of Land and Environment and the MOW&H/NWC must collaborate in forward planning and for approvals pertaining to the provision of water and sewerage in new housing schemes. Given the critical nature and inter-linkages of water, sanitation disposal and housing, the NWC is also one of the most important stakeholders in the JV process.

WATER RESOURCES AUTHORITY

The Water Resources Authority has responsibility for managing the country's underground water resources. Its input in the planning process is therefore necessary to ensure that the integrity of our underground water is maintained. This is critical especially in areas where the water table is high and where there are underground wells that are used to provide potable water. In addition, it may be necessary in certain areas to use these underground wells to supplement the NWC's water supply to a development.

In these cases, NEPA will always seek the comments of the WRA before approving a development, and consequently the WRA is a key stakeholder in the JV process.

MINISTRY OF HEALTH (ENVIRONMENTAL HEALTH UNIT)

The Environmental Health Unit of the Ministry of Transport and Works through the National Environment and Planning Agency ensures that both the sewage disposal methods and infrastructure proposed for a development are satisfactory. This is especially critical in areas where the development will not be connected to a central sewage system. Given the importance of having adequate sewage disposal systems and the horrendous consequences when these are not in place, the role of the Environmental Unit as stakeholder in the JV process is a very important one.

MINISTRY OF FINANCE AND PLANNING

The Ministry of Finance and Planning (MFP) is responsible for setting the macro-economic financial and economic policies, which have significant impact on the performance of the housing/ construction sector. The MFP has some bearing on all aspects of the sector, but interest rate, foreign exchange, and monetary policies in general, and price and wage inflation policies are critical elements or indicators that ultimately will determine the cost factors/inputs and ultimately the cost of housing developments.

In addition, the MFP may provide the necessary tax and duty concessions to developers in the housing sector, particularly for the importation of fixed capital goods (materials and equipment) that are required in the construction process. This is an area that requires a clearly defined set of procedures and policy guidelines and must be elaborated through discussions between the MOFP and the MWH. The MFP is also responsible for the operation of bank accounts opened for the purposes of the Joint Venture.

MINISTRY OF LOCAL GOVERNMENT AND COMMUNITY DEVELOPMENT

Local public or private organizational structures, as legitimate entities, must be brought on board in the development of the joint-venture programme. The Parish Councils for example, must be involved in the planning and development process. Planners are now appointed to the Council, and their input should be considered in planning for housing needs. This is important given the fact that the local authorities are required to take over the infrastructure in these schemes after they are completed.

JAMPRO

JAMPRO is the Government of Jamaica's economic development agency, created to be a one-stop shop for investors, exporters and the business community both national and international.

The Agency develops and implements programmes to encourage, expand and diversify investments, modernize the production and management systems of companies and stimulate growth of exports for Jamaica.

These programmes are geared to meet the needs of the entrepreneur in business development from project idea through to implementation and beyond. JAMPRO provides information on Jamaica's investment opportunities, the prevailing economic and market trends, as well as cost models and data on various types of investments.

JAMPRO maintains a comprehensive business library, which provides information on marketing, trade and investment, and has an entrepreneurial centre, which provides services to meet the special needs of the business sector. JAMPRO, on behalf of the investor, will seek approval for incentives as applicable, relevant licencing, utility connections, tax compliance, trade numbers, work permits and visas, and joint-venture partnerships. The agency has been a forerunner in forging joint-venture partnerships in the areas of business, commerce and industry, marketing and training.

NATIONAL HOUSING TRUST

The National Housing Trust (NHT) was established to mobilize resources to finance shelter through compulsory contributions. Under the law, employers are required to remit to the NHT a sum equal to 5% of their wage bill. Two percentage points of this 5 % are on behalf of employees and 3% on the employers' behalf. These compulsory contributions provide the NHT with a stream of funds at a weighted rate of 1.2 per cent.

The following products are offered by the NHT:

- Scheme Units
- Build-on-own Land (BOL)
- Home Improvement
- Open Market
- Serviced Lots
- House Lots
- Combined Mortgage Programme (CMP)
- Group Financing-Joint-Venture Facility

The NHT also assists by providing housing solutions through interim financing for other agencies and organizations. There is a bias towards low-income contributors, effected through the NHT's special interest rate agreement – the lower the income of the applicant, the lower the interest rate charged.

JAMAICA MORTGAGE BANK (JMB)

JMB as a lender of construction and interim financing for the residential market has been increasingly playing a pivotal role in a number of JV projects. As a consequence, the JMB has become an important stakeholder to the JV programme, particularly in the last three years. This role being played by the JMB is expected to increase, especially as interest rate and by extension lending rates decrease. With cheaper rates or money (expected), a larger pool of funds will be created for construction financing at more affordable levels. This augurs well for the JV programme and for the housing sector, in general.