

VOLUME 7

SECTION 1

PUBLIC/PRIVATE PARTNERSHIPS FOR HOUSING DEVELOPMENT

**Procedural Guidelines For
Government Joint Venture Programmes
Through The Ministry Of Water And Housing
(Extracted from the GOJ/MWH Joint Venture Policy - March 2003)**

Managed by

The Ministry of Water and Housing

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LIST OF ABBREVIATIONS

CBO	Community Based Organization
EHU	Environmental Health Unit
EIA	Environmental Impact Assessment
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GOJ	Government of Jamaica
JAMPRO	Jamaica Promotions Corporation
JMB	Jamaica Mortgage Bank
JV	Joint Venture
KMR	Kingston Metropolitan Region
KSAC	Kingston & St. Andrew Corporation
MFP	Ministry of Finance and Planning
MOH	Ministry of Health
MOTW	Ministry of Transport and Works
MWH	Ministry of Water and Housing
NCC	National Contracts Commission
NEPA	National Environment and Planning Agency
NGO	Non Governmental Organization
NHDC	National Housing Development Corporation
NRCA	Natural Resources Conservation Authority
NWC	National Water Commission
TCC	Tax Compliance Certificate
TRN	Taxpayer Registration Number
WRA	Water Resources Authority

CHAPTER I

GOVERNMENT JOINT VENTURE HOUSING POLICY

1.0 BACKGROUND

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”.

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.

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 a Urbanizing World”.

1.1 JOINT VENTURE POLICY

The main focus of the Joint Venture Policy document relates primarily to developments being undertaken under the Housing Act and on lands owned by the Government. It also provides however guidance for developments being undertaken on privately owned lands but which are being facilitated by the Ministry of Housing.

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

Arising from the National Shelter Strategy developed in 1987, 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.

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.

1.2 JOINT VENTURE GOAL

The goal of the Joint Venture 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.

1.3 STAKEHOLDER BENEFITS

1.3.1 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.

1.3.2 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.

1.3.3 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.

1.4 TYPES OF JOINT VENTURE ARRANGEMENTS

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.:

- i The Public Sector, which sets and regulates the legal framework and determines the allocation and use of public resources.
- ii 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.

1.5 JOINT VENTURE PARTNERS

The partners may include:

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

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

- i Public/Private (Local/International)
- ii Public/Public (Local or International)
- iii Public/NGO (Local/International)
- iv Private/NGO/Public (Local or International)

1.6 FOREIGN INVESTMENTS

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.

CHAPTER 2

ROLE OF THE JOINT-VENTURE PARTNER

2.0 PLANNING

The role of the Joint Venture Partners is specified below:

- i 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.
- ii The partner must use appropriate technology and housing topology to ensure maximum safety in the event of natural disasters such as hurricanes and earthquakes.
- iii The partner must observe safety guidelines and building codes approved by the Jamaica Bureau of Standards and the approval agencies.
- iv 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.
- v 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.
- vi 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.
- vii 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 the mover to the community or other relevant authorities at the

specified time.

- viii 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.
- ix 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.
- x The partner must ensure that the plan for the development is prechecked by the Survey Department.

2.1 MANAGEMENT

The management responsibilities of the partners are as follows:

- i The partner will be subject to monitoring action from the Ministry in all phases of the project – Planning, Design, Implementation, Accounting, and Evaluation.
- ii 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.
- iii Proof of current professional registration and where applicable, NCC registration for all professionals and subcontractors must be provided.
- iv The company must provide information on the Board of Directors, the Management Team, the majority shareholders and their percentage shares in the company.
- v The names of Auditors and Attorneys-at-Law for the company

must be provided.

- vi 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).
- vii The last two audited financial statements of the company must be submitted.
- viii All proposed developers must consent to background checks.
- ix 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.

2.2 FINANCIAL

The financial responsibilities of the partners are listed below:

- i 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.
- ii 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 should be made available to both the Ministry and the Joint Venture Partner accompanied by the Partner Monthly Sales Report.
- iii 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).
- iv Proof of current registration with the NCC must be provided

where the developer will also act as the contractor for a project.

- v 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.
- vi The partner must demonstrate the ability to access at least 15% of the required financing within 60 days of signing the Joint Venture Agreement.
- vii 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.
- viii Where a project is not completed within the specified time frame, 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.
- ix 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 this request not be met 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.
- x 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.

2.3 ADDITIONAL REQUIREMENTS

In addition to the aforementioned, partners who are entering into the private sector facilitation agreement must satisfy the following requirements:

- i 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.

- ii Demonstrate a willingness to transfer the land into the name of the Minister of Housing.
- iii Demonstrate the ability to have 100% of financing accessible within 60 days of approval under the Housing Act (may include purchasers' deposits).
- iv Demonstrate market demand including an affordability analysis.
- v Ensure that the Development Company and the development scheme are registered with the Real Estate Board.
- vi 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.

CHAPTER 3

GOVERNMENT RESPONSIBILITIES

The role of the Ministry of Water and Housing is as follows:

3.0 PLANNING

- i Ensure that the site to be developed:
 - is free of any encumbrance that will impede the development
 - falls within other existing settlements or development nodes, or has other justification for its location.
 - has an adequately prepared project brief/tender documents for submission to all interested applicants(developers).
- ii Ensure that sites are carefully chosen so as to maximize the safety of the developments and minimize natural disasters.
- iii Ensure as far as possible, the conservation of natural resources and the protection of natural resources with commercial value.
- iv Ensure that environmental considerations are addressed during the preliminary stages of the project development.
- v Facilitate the acquisition of lands where necessary for the purpose of Joint Venture Projects.
- vi 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 a 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.
- vii Provide support for research into and the use of indigenous resources.
- viii Ensure that sustainable environmental and land use practices are followed.

- ix 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.

3.1 LEGAL RESPONSIBILITIES AND POLICY

The Ministry of Water and Housing must 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 National Land Policy (1996)
 - The KSAC Building Act
 - The Parish Council Building Act
 - The Registration (Strata Titles) Act
- iii Provide policy guidance in respect to demographic and construction trends particularly as it relates to material, designs and market conditions.
- iv 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).

3.2 MANAGEMENT

The Ministry will undertake the following management activities:

- i Declare the lands under the Housing Act at a cost to the project
- ii 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.
- iii 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.
- iv 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.
- v Ensure that where the government subsidizes the development, the units are sold to first-time homeowners¹ or to homeowners who intend to sell their current home in order to purchase another.
- vi In the event that condition (v) is breached, ensure that the subsidy is removed from the cost of the unit in question and monies are refunded as necessary.
- vii Appoint a committee to analyze the feasibility of projects and make recommendations to the Board.
- viii 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.

¹ As defined by the National Housing Trust

3.3 FINANCIAL

The financial responsibilities of the Ministry are as follows:

- i 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 time frame.
- ii 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.
- iii 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.
- iv 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.
- v Assist developers in accessing information to secure any financial and other benefits or incentives from Government and its agencies such as JAMPRO.
- vi The Minister shall negotiate each joint venture contract and seek the approval of Cabinet for the execution of the agreement.
- vii 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.

CHAPTER 4

COLLECTIVE DUTIES AND OBLIGATIONS OF THE PARTIES

The collective duties and obligations of the parties include:

4.0 DUTIES AND OBLIGATIONS

- i 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.
- ii 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.
- iii The Attorney General's department will approve a standard Joint Venture Agreement which will be tailored as necessary for each development, however, where there are extenuating circumstances which warrant special consideration of the content of an individual agreement, this will be referred to the Attorney General's department.
- iv The Committee and the Legal Department of the Ministry shall approve the form and content of the Agreements for Sale for the individual lots.
- v 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.
- vi 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.

- vii 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 representative to advise him on the progress of the development and make any fees chargeable in respect of this representative a expense to the development.
- viii The Joint Venture Project will be terminated:
- 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.
 - where a Joint Venture Partner becomes bankrupt or goes into liquidation either voluntarily or compulsorily.
 - 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.
- ix 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.
- x 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.

CHAPTER 5

ROLE OF OTHER MINISTRIES AND AGENCIES

5.0 CONSULTATION WITH GOVERNMENT

Before the implementation of a joint venture project the following agencies are consulted:

- Ministry of Transport and Works;
- National Environment and Planning Agency (NEPA);
- National Water Commission;
- Water Resources Authority;
- Ministry of Health (Environmental Health Unit);
- relevant Parish Council/KSAC;
- Geological Survey Division of the Ministry of Mining and Energy, where necessary.

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
- Jamaica Mortgage Bank

CHAPTER 6

JV PROJECT DEVELOPMENT AND APPROVAL FRAMEWORK

6.0 THE JOINT VENTURE PROGRAMME

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 National 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:

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

6.1 DEVELOPMENT AND APPROVAL PROCESS

The following are the steps to be taken in the development and approval process:

- i 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.
- ii Assess the feasibility of the proposed site in keeping with the approved criteria, investigation of ownership and status of title.
- iii Develop terms of reference, advertise and invite proposals from prospective partners
- iv 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.
- v 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
- vi Complete initial market research/analysis
- vii 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.
- viii Make a submission to Cabinet for approval to negotiate and execute a Joint Venture Agreement.
- ix Upon receipt of approval, declare the site as a housing area under the Housing Act
- x 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.
- xi 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.
- xii 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.

- xiii 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.
- xiv 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.
- xv The Ministry approves the development plans under the Housing Act (1968) and signs and seals the record set of drawings.
- xvi 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.
- xvii 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
- xviii Initiation of infrastructural construction, including site preparation.

- xix The Developer commences preparation of pre-checked /final plans.
- xx Set up Joint- Venture Escrow Account in keeping with the Real Estate Dealers and Developers Act (1991).
- xxi Advertising/marketing (in keeping with land policy), naming of community.
- xxii Begin processing individual Agreements for Sale
- xxiii Prepare as-built plans/project implementation and submit relevant information to Titles Office.
- xxiv On going handing over (turn-key solutions/allotments and title delivery.)
- xxv Formation of a sustainable community inclusive of:
 - street signs and lighting
 - solid waste disposal mechanism
 - activate community facilities/space. These include play areas, day care centre/community centres, health/social/commercial centres and community management groups.
- xxvi Hand over of infrastructure to Parish Council/KSAC, CBO's and other relevant authorities as part of an on-going maintenance plan.
- xxvii Ensure that the property is added to the tax roll.

6.2 NOTE

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

- i The Ministry's Project Managers monitor work progress
- ii Executive Committee formed at agreement stage undertake administrative, policy and regulatory management of the project.
- iii Technical and financial statements accompanied by copies of pre-payment.
- iv contracts, presented monthly by developer as well as general progress report.

- v Monthly project management meetings (or as often as necessary).
- vi Draft/audited financial statements within six months of project completion.
- vii The Ministry reserves the right to inspect the books of the Joint Venture Partner at all reasonable times.

CHAPTER 7

PROJECT PROPOSAL

7.0 FEASIBILITY

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.

7.1 PROJECT PROPOSAL CHECKLIST

The following information must be supplied in the project proposal

- i 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

- ii SECTION 2 Table of Contents**

- iii 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.

iv 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.

v 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

vi 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.)

vii 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

viii 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

ix 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

x 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

7.2 DETAILED DATA

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

- i 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.
- ii Construction schedule and phasing plan.
- iii 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
- iv 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.
- v Detailed Architectural and Engineering design and working drawings prepared by registered professionals.
- vi Copies of approvals from all the relevant Government Agencies.

7.3 CONTACT INFORMATION

For more information please contact

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