

DRAFT URBAN AFFORDABLE HOUSING AND HABITAT POLICY – ANDHRA PRADESH



FOR LIMITED CIRCULATION



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Disclaimer:

This policy has been formulated with a citizen centric view, keeping forth the economic, physical and social comforts of the citizen as an end user. The policy, in order to bring more dignity to the end user and to encourage a market driven perspective amongst the service providers, discourages the usage of the term beneficiary. The term 'end user' has been used instead.

The policy also seeks to promote the state and the administering Urban Local Bodies as facilitators to the process of habitat development. It also supports the view of usufruct rights to land, discourages the concept of land ownership by the customer and supports the idea of shelter ownership.

1. Definitions

- 1.1. Affordable Housing:** Generally affordability is taken as 3-4 times the annual income. However in all schemes and projects where subsidy is offered by the State/Central Governments for individual dwelling units with a carpet area of not more than 60 sq. m., then the price range of a maximum of 5 times the annual income of the household, either as a single unit or part of a building complex with multiple dwelling units will be taken as affordability entitlement. The areas of the dwelling units for the Economically Weaker Section (EWS) and Low Income Group (LIG) are given below¹:

Table 1: Areas of Dwelling Units for EWS and LIG

Group	Assumptions on Annual Income (Range in INR)	Assumptions on Type of Employment	Carpet Area (In sq. m.)
EWS	Below Poverty Line –3,00,000	Daily Wages, Irregular Salaries	30
LIG	3 Lakh – 6 Lakh	Regular Salaries	60

- 1.2. Affordable Housing Project:** Housing projects where 35% of the houses are constructed for EWS category².
- 1.3. Brown Field Development:** This type of development usually takes place on land parcels which have had construction activity before. Redevelopment activity can safely be classified as Brownfield. This type of development is within the existing city limits and is surrounded by well-developed city infrastructure.
- 1.4. Carpet Area:** Area enclosed within the walls, actual area to lay the carpet. This area does not include the thickness of the inner walls.³ It will include carpet area of the living room(s), bedroom(s), kitchen area, lavatory(s), bathroom(s), and balcony / verandah, if provided, in accordance with the definition of the Dwelling Unit/Tenement as provided in the National Building Code, 2005 which is an independent housing unit with separate facilities for living, cooking and sanitary requirements.
- 1.5. Economically Weaker Section:** EWS households are defined as households having an annual income upto Rs. 3,00,000. States/UTs shall have the flexibility to redefine the annual income criteria as per local conditions in consultation with the centre.⁴
- 1.6. EWS House:** An all weather single unit or a unit in a multi-storeyed super structure having carpet area of upto 30 sq. m. with adequate basic civic services and infrastructure services like toilet, water, electricity etc. States can determine the area of EWS as per their local needs with information to the Central Government.
- 1.7. End User:** The end user will comprise husband, wife and unmarried children. The family should not own a pucca house (an all-⁵weather dwelling unit) either in his/her name or in the name of any member of his/her family in any part of India.

¹ Pradhan Mantri Awas Yojana, Housing for All (Urban), Scheme Guidelines 2015

² ibid

³ IS 3861: 2002

⁴ Pradhan Mantri Awas Yojana, Housing for All (Urban), Scheme Guidelines 2015

⁵ ibid

- 1.8. Green Field Development:** This type of development refers to construction activity taking place on virgin lands, where no previous construction has taken place. Such a development typically happens on either the city fringes or open lands within the city limits and lacks city level infrastructure, including the provision for basic needs and social infrastructure.
- 1.9. In-situ Slum Re-development Project:** The project where in existing slum areas will be redeveloped by providing proper access, dwelling unit, open spaces and other basic services to the slum dwellers on land on which the slum exists.
- 1.10. In-situ Slum Up-gradation Project:** The project of improving the quality of dwelling spaces occupied by slum dwellers with provision of basic services and infrastructure services.
- 1.11. Liveability:** Liveability refers to the environmental and social quality of an area as perceived by residents, employees, home-owners, and visitors. This includes safety and health (traffic safety, personal security, and public health), local environmental conditions (cleanliness, noise, dust, air quality, and water quality), the quality of social interactions (neighbourliness, fairness, respect, community identity and pride), opportunities for recreation and entertainment, aesthetics, and existence of unique cultural and environmental resources (historic structures, mature trees, traditional architectural styles).⁶
- 1.12. Low Income Group (LIG):** LIG households are defined as households having an annual income up to Rs. 6 00,000.
- 1.13. Minimum Housing Standards:** Every dwelling unit used or intended for human habitation, except transportable and temporary housing or held out for use as a human habitation shall comply with all of the minimum standards of fitness for human habitation and all of the requirements such as structural condition (Walls, floors, Foundation, etc.), basic equipment and facilities (Plumbing, Electrical, Heating), ventilation, space, use and location (Room sizes, Ceiling Height, Floor area, Dwelling Unit).⁷ The basic service standard for water supply quantity would be 150 litres per capita per day, sewage treated would be 100% of the sewage generated⁸.
- 1.14. Ownership of Shelter:** Any person who alone, or jointly, or severally with others: (1) Shall have title to any dwelling or dwelling unit, with or without accompanying actual possession thereof; or (2) Shall have charge, care or control of any dwelling unit, as owner or agent or as executor, executrix, administrator, administratrix, trustee or guardian of the estate of the owner. Any such person thus representing the actual owner shall be bound to comply with the provisions of this article, and rules and regulations adopted pursuant thereto, to the same extent as if they were the owner.⁹
- 1.15. Plinth Area:** Plinth area shall mean the built-up covered measured at the floor level of the basement or of any storey.¹⁰

⁶http://www.camsys.com/kb_experts_livability.htm#sthash.Q411EDMC.dpuf

⁷[http://www.onslowcountync.gov/uploadedFiles/Planning_and_Development/Housing/Microsoft%20Word%20-%20MINIMUM%20HOUSING%20CODE%20ORDINANCE.2\(1\).pdf](http://www.onslowcountync.gov/uploadedFiles/Planning_and_Development/Housing/Microsoft%20Word%20-%20MINIMUM%20HOUSING%20CODE%20ORDINANCE.2(1).pdf)

⁸ McKinsey & Company, 2010

⁹[http://www.onslowcountync.gov/uploadedFiles/Planning_and_Development/Housing/Microsoft%20Word%20-%20MINIMUM%20HOUSING%20CODE%20ORDINANCE.2\(1\).pdf](http://www.onslowcountync.gov/uploadedFiles/Planning_and_Development/Housing/Microsoft%20Word%20-%20MINIMUM%20HOUSING%20CODE%20ORDINANCE.2(1).pdf)

¹⁰ibid

- 1.16. Slums:** A compact area of atleast 300 population or about 60-70 households of poorly built congested tenements, in unhygienic environment usually with inadequate infrastructure and lacking in proper sanitary and drinking water facilities.
- 1.17. Slum Resettlement Project:** The project of relocation and settlement of slum dwellers from the existing untenable slums to an alternative site with provision of dwelling space, basic civic and infrastructural services. However resettlement, if absolutely necessary, needs to be taken up as the last resort and with due consideration to minimise adverse impacts on livelihoods of the re-settlers.
- 1.18. Squatter:** A squatter settlement can be defined as a residential area, which has developed without legal claims to the land and/or permission from the concerned authorities to build; as a result of their illegal or semi-legal status, infrastructure and services are usually inadequate. A squatter settlement, due to its inherent "non-legal" status, has services and infrastructure below the "adequate" or minimum levels. Such services are both network and social infrastructure, like water supply, sanitation, electricity, roads and drainage; schools, health centres, market places, etc. Squatter settlement households belong to the lower income group, either working as wage labour or in various informal sector enterprises. The key characteristic that delineates a squatter settlement is its lack of ownership of the land parcel on which they have built their house.¹¹
- 1.19. Transfer Development Rights:** TDR means making available certain amount of additional built up area in lieu of the area relinquished or surrendered by the owner of the land, so that he can use extra built up area himself in some other land.¹²
- 1.20. Urban:** "Urban" in India is defined as a human settlement with a minimum population of 5000 persons, with 75% of the male working population engaged in non-agricultural activities and a population density of at least 400 persons per sq. km. Further, all statutory towns having a Municipal Corporation, Municipal Council or Nagar Panchayat as well as a Cantonment Board are classified as "urban."

¹¹ <http://www.gdrc.org/uem/squatters/define-squatter.html>

¹² Pradhan Mantri Awas Yojana, Housing for All (Urban), Scheme Guidelines 2015

2. List of Acronyms

AHI	Annual Household Income
AP	Andhra Pradesh
APHB	Andhra Pradesh Housing Board
APRSCCL	Andhra Pradesh Rajiv Swagruha Corporation Ltd.
APSHCL	Andhra Pradesh State Housing Corporation Ltd.
C&DMA	Commissioner and Directorate of Municipal Administration
CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
DSS	Decision Support System
EMI	Equated Monthly Instalments
EWS	Economically Weaker Section
FAR	Floor Area Ratio
FSI	Floor Space Index
HIG	High Income Group
ICT	Information and Communications Technology
KYC	Know Your Customer
LIG	Lower Income Group
MEPMA	Mission for Elimination of Poverty in Municipal Areas
MIG	Middle Income Group
MHUPA	Ministry of Housing and Urban Poverty Allievation
NUHHP	National Urban Housing and Habitat Policy
O&M	Operation and Maintenance
PMU	Project Management Unit
PPP	Public Private Partnership
RWA	Resident Welfare Associations
SLNA	State Level Nodal Agency
SNPUPR	Support to National Policies for Urban Poverty Reduction
ULBs	Urban Local Bodies

3. The Need for Policy

3.1. Urbanisation in India

3.1.1. Urbanisation is one of the defining features of the future. India is in the midst of a rapid transformation from a predominantly rural to an urban society. In fact, the urban population has grown by 3.35 percent a year since 2001. Currently, 31 percent of the total population resides in the towns and cities of the country.¹³ It is estimated that the population of cities will witness a net increase of 900 million by 2050.¹⁴ The number of cities and towns have grown significantly in the recent decades. The number of towns increased from 2,774 in 2001 to 7,935 in 2011.

3.1.2. The general trend towards urbanization shows considerable disparity amongst various States/Union Territories (UTs) of India. Whereas, states such as Gujarat, Goa, Punjab, Karnataka, Maharashtra and Tamil Nadu have attained over 35% urbanisation, states like Bihar, Himachal Pradesh, Jharkhand, Odisha, Rajasthan, Uttar Pradesh etc. have low rates of urbanisation.

3.1.3. This rapid pace of urbanisation in turn translates into increased demand for housing facilities and related infrastructure. At present the urban centres are ill-equipped to cater to the housing demand and lack the necessary preparedness to address any future demands too. The lack of cost-effective housing is one of India's most pressing developmental problems. The existing housing shortage is 1.878 crores. 96 percent of this pertains to the Economically Weaker Sections and Lower Income Groups. 22.7 lakhs households living in obsolescent houses and 10 lakh lives in non-serviceable kutchha houses.¹⁵

3.1.4. Ten states including erstwhile Andhra Pradesh contribute to about 75% of the total urban housing shortage in India. Andhra Pradesh also contributes to the housing shortage of the country. The erstwhile Andhra Pradesh has a housing shortage of 12.7 lakhs which is expected to increase to 37 lakhs by 2030.¹⁶

3.1.5. As a result, there has been an increased incidence of the development of slums and squatter settlements with wider ramifications on the health, safety and well-being of the citizens. With all round increase in cost of land, building materials, labour and infrastructure, affordable housing has become a distant dream for the EWS and LIG

3.2. Demographic Profile of Andhra Pradesh

3.2.1. Andhra Pradesh, located in the Southern Peninsula in India is the eighth largest state covering an area of 160,205 sq. km. The state is tenth largest by population accounting for 4.1% of the country's population. The population has more than doubled in the last half century from 2.32 crores in 1961 to 4.96 crores in 2011.

¹³Census of India, 2011

¹⁴FICCI (2011). Urban Infrastructure in India. Federation of Indian Chambers of Commerce and Industry, New Delhi

¹⁵MHUPA (2012). Report of the Technical Group on Urban Housing Shortage (TG-12) (2012-2017). Ministry of Housing and Urban Poverty Alleviation, New Delhi

¹⁶KPMG (2014). Funding the Vision – Housing for All by 2022. KPMG in India

- 3.2.2. 29.47 percent (1.46 crores) of the total population lives in urban areas. Among all districts, Visakhapatnam and Krishna are highly urbanised districts. Srikakulam and Prakasam are the least urbanized districts.¹⁷
- 3.2.3. There are 112 statutory towns and 83 census towns in the State. Vishakhapatnam, Vijaywada, Tirupati, Guntur, Kakinada, Nellore and Kurnool are some of the key cities in the state. The number of towns in the state has increased by 45% since 2001.
- 3.2.4. Faster urbanisation can be anticipated given proposed strategic economic initiatives in the state such as proposed Capital City and the industrial corridors in the region like the East Coast Economic Corridor, Chennai Vishakhapatnam Industrial Corridor etc.

3.3. Housing in Andhra Pradesh

- 3.3.1. 1.26 crores households house a population of over 4.9 crores. The total housing stock (including residences and other institutional buildings) of Andhra Pradesh is 1.55 crores.
- 3.3.2. Housing in the state is currently handled by various departments such as the Andhra Pradesh State Housing Corporation Ltd. (APSHCL), Andhra Pradesh Housing Board (APHB), Andhra Pradesh Rajiv Swagruha Corporation Ltd. (APRSCL), independent urban local bodies (ULBs), Commissioner and Director of Municipal Administration (C&DMA), Directorate of Town and Country Planning, Mission for Elimination of Poverty in Municipal Areas (MEPMA) etc.
- 3.3.3. Other organisations focusing on specific schemes include the AP Weaker Section Housing Programs, AP Police Housing Corporation, AP Medical Health Housing Corporation and AP Housing Federation.
- 3.3.4. Majority of houses are constructed by individual home-owners, private developers and APHB for the middle income group (MIG) and the higher income group (HIG).
- 3.3.5. Construction of affordable houses for EWS/LIG category is undertaken either by APHB or APSHCL. Private sector participation in affordable housing projects is virtually non-existent.
- 3.3.6. The total number of houseless households in urban areas is 7,330. The total number of households living in dilapidated houses amounts to 55,304. Semi-permanent, temporary and unclassifiable houses census houses also add to the housing gap. The total number of such houses is 5,27,443.
- 3.3.7. If % of households living in rented accommodation and % of dilapidated houses to total houses were to be considered as two of the parameters for assessing housing shortage, the geographical distribution of housing shortage in AP would be maximum in districts of Vishakhapatnam/ Krishna/ Guntur, and West Godavari/ Prakasham/ Nellore respectively.
- 3.3.8. In view of these emergent issues, provision of adequate housing is become a major thrust area for the Government. The Central Government is committed to have

¹⁷Government of Andhra Pradesh (2014b). Socio Economic Survey 2014-15. Planning Department, Government of Andhra Pradesh

“Housing for All” by 2022 wherein “every family will have a pucca house with water connection, toilet facilities, 24x7 electricity supply and access.”

- 3.3.9. As a way forward for achieving the nations aim, the onus lies with the state governments to accord high priority to housing for all and develop the necessary framework to achieve the same.
- 3.3.10. The National Housing and Habitat Policy (NUHHP), 2007 envisaged the states to prepare a State Urban Housing and Habitat Policy and also a State Urban Housing & Habitat Action Plan. The policy empowers the States to include passing of specific Acts by the States to achieve the housing policy objectives through institutional, legal & regulatory reforms, fiscal concessions, financial sector reforms and innovations in the area of resource mobilization for housing and related infrastructure development including promotion of cost effective building materials and technologies at the State level.
- 3.3.11. The policy will also include an action plan and a pragmatic road map to achieve the objectives of the policy. In line with the recent initiatives taken by the State in this direction, creation of a specific policy namely “State Affordable Housing Policy for Urban Areas” with a clear mandate to synergise and facilitate efforts in the direction of providing affordable housing for all had become the need of the hour.
- 3.3.12. Accordingly, the “*Andhra Pradesh Urban Affordable Housing and Habitat Policy*” has been announced as brought out in succeeding paragraphs. The “*Andhra Pradesh Urban Affordable Housing and Habitat Policy*” (herein after referred to as the “*Policy*”) will come into effect from the date of notification in State Gazette.

4. Preamble

4.1. Vision of the Policy

4.1.1. Government of Andhra Pradesh as a first step towards tackling the housing shortage and achieving the goal of Housing for All by 2022 and thereby realising the dream of building a sustainable and transformative India, has taken up the task of formulating ‘urban affordable housing and habitat policy’ with the aim **“To Provide Affordable Housing for All That Reflects Social, Economic, Physical, Cultural And Emotional Needs Of The Family To Live With Dignity, Comfort and Security and be accepted as an honourable member of the neighbourhood/society”**.

4.1.2. The state seeks a solution that bridges the gap between the demand and supply of housing to achieve the main objective of ensuring the supply is at an affordable price whilst maintaining the quality of the house. In this regard, the state shall focus on involving interaction and possible synergies with multiple stakeholders like Citizens, Corporators, Urban Local Bodies, State Government, and Service Providers.

4.2. Objectives

4.2.1. The aim of the Policy is to create an enabling environment for providing “Affordable housing for all and integrated habitat development with a view to ensure equitable supply of land, shelter and services at affordable prices in Andhra Pradesh with special focus on urban poor and excluded groups of society”.

4.2.2. The primary objective of the Policy is to ensure that no individual is left homeless. The policy further aims to highlight strategies and opportunities to be used as policy options, in the areas of action that will help address the shortage of adequate, appropriate and affordable housing.

4.2.3. The major objectives are:

- Reduce the housing shortage in the State, especially in EWS/LIG categories by taking up large scale construction of Resource and Energy Efficient Affordable Housing and ensuring that all dwelling units have access to basic physical and social infrastructure like sanitation facilities, drinking water, electricity, roads, and other livelihood infrastructure.
- Address the shelter needs of destitute, single women households, old and infirm disabled, diseased, street children migrant workers etc.
- Reduce barriers to appropriate credit flow and shift from subsidy based housing schemes to cost recovery-cum-incentive based scheme for housing through proactive financial instruments such as micro-finance and related self-help group programmes.¹⁸
- Remove legal, financial and administrative barriers in order to facilitate easy access to tenure, land, finance and technology by various stakeholders, primarily concentrating on citizen and service providers.

¹⁸Adapted from National Housing Policy 2007; Available at <<http://mhupa.gov.in/policies/dupepa/HousingPolicy2007.pdf>>

- Promote investments in housing in Urban Sector on PPP Model and involve private developers in the construction of EWS & LIG categories of houses by offering various attractive incentives.
- Promote affordable housing such that home-owners have easy access to places of employment, and such that local delivery agents are engaged in housing delivery thereby promoting local employment.
- Generate awareness about and promote environment friendly technologies for enhancing energy, cost efficiency, productivity and quality.
- Establish a monitoring and evaluation mechanism in the housing sector to strengthen the transparency in the building activities of the state.
- Creation of rental housing that has provisions of required infrastructure and services and transportation linkages to work areas as transit accommodation for migrants to urban areas, and check creation of new slums.

4.3. Target Groups

The income criteria and classification of target groups is in line with the Pradhan Mantri Awas Yojana, Housing for All (Urban), Scheme Guidelines 2015.

Table 2: Annual Household Income Range of Target Groups

Group	Annual Income (Range in INR)
EWS	Below Poverty Line –3,00,000
LIG	3 Lakh – 6 Lakh

4.4. Classes of Towns and Cities

The policy is applicable to all metropolitan areas, urban agglomerations, municipal areas and others as listed in the Census of India and/or as notified by the Government of Andhra Pradesh in the State Gazette from time to time.

5. Principles and Fundamentals

5.1. Guiding Principles

The Policy envisages being transformative by promoting sustainability in the approach towards habitat development in the country along with a view of ensuring equitable supply of shelter and services at affordable prices to all sections of society. It lays emphasis on adopting the approach of usufruct rights on land. The Policy places aims and non-negotiable principles that must be adhered to while implementing the Policy. It encourages alignment of the interventions with the sustainability, developing environment friendly technologies, promotion of community participation, and ensuring a coherent service delivery mechanism.

5.1.1. The Policy promotes the **Principle of Sustainability** and seeks to guide sustainable development of habitat in the State of Andhra Pradesh with a view of ensuring equitable supply of land, shelter and services at affordable prices to all sections of society. Sustainability as a driving principle of the Policy lends focus to inter and intra sectoral aspects of the triple bottom line, i.e. economic viability, social equity, and environmental quality in the short and long term. It involves optimal utilisation of social, natural, human, and financial resources. It addresses the issues of resource scarcity and responds to challenges of intergenerational equity by reducing rate of physical resource depletion and raising resource productivity while reducing the negative impacts on the environment. Sustainable buildings may contribute towards cutting down energy and water consumption to less than half of the present conventional buildings, and completely eliminate the construction and operational waste through recycling.

5.1.2. The **Principle of Inclusiveness** forms the core of the Policy, with the belief of 'leave no one behind'. This principle of access will guide the implementation to ensure that the goal of Housing for All is met. Integration between housing, basic amenities, livelihood and community infrastructure and natural resources will promote access, thus promoting a better standard of life and reducing vulnerability.

5.1.3. The Policy lays emphasis on **Principle of Appropriate Design**, taking into consideration cultural, geo-climatic and environmental concerns of housing and habitat design so interventions are functionally useful and sustainable for the user and community. It lays emphasis on adopting indigenous technologies and locally appropriate building materials for houses that are culturally acceptable, durable, safe, healthy and sustainable.

5.2. Policy Fundamentals

5.2.1. The Policy adopts a citizen centric approach that places the end-user at the centre of the planning and construction process. It advocates the provision of a carpet area in the range of 30-60 sq.m. area for housing a family of 4-5; with differential financing models for different economic brackets. It includes inclusion of livelihood considerations such as space for home based workers, vendor carts, etc. especially for the LIGs.

- 5.2.2. The Policy strives to redefine the role of the Public Sector as the ‘facilitator’ as well as indicate a way forward for increased participation of the private sector and non-government agencies, accelerating the flow of housing finance and promotion of environment friendly, cost effective and alternate technologies.
- 5.2.3. The Policy necessitates flexibility in design intervention, technology choices, and their implementation through community based processes and flexibility in accessing financial resources. It emphasises the need to view relocation in the perspective of occupation categories such that the livelihoods of users have minimum impact. Models like incremental housing need to be looked at in specific situations.
- 5.2.4. With direct impact of construction activity on nature due to dependencies on land utilisation, resource extraction, and waste generation, housing and habitat development becomes an environmentally challenging task. It strives towards establishing sustainability as essentially a local endeavour that aims to achieve socio-economic and ecological welfare for the entire region.
- 5.2.5. Inadequate preparedness in the form of neglected indigenous wisdom and non-compliance with safe designs and construction practices has left many families homeless and vulnerable. The Policy emphasises that safety and security of families is given due importance in habitat development through simple safety measures, design interventions, safe individual houses and community shelters to prevent tremendous loss of life and property.
- 5.2.6. It guides the stakeholders to develop a service orientation such that the delivery mechanism shifts focus from “end product” to “process”. Relating the planning of housing supply and the delivery of basic services through local markets or specialised agencies can make the service orientation sustainable and demand driven thus ensuring quality housing in attractive neighbourhoods. In order to do so, the policy advocates the inclusion of various stakeholders in all stages of planning and management with involvement of the private sector that would act as a catalyst for a demand driven habitat development.
- 5.2.7. Transparent and accountable governance mechanisms for an equitable, just, and participatory society are essential for economic progress and the health of the ecological system that supports it. The interconnectedness and interdependencies between various issues such as poverty, jobless growth, inequality, etc. necessitate the need to adopt a holistic and systemic approach to form functional synergies between policies. It further promotes the concept of multifunctional systems composed of decentralised sub-systems at each intervention level tailored to meet the specific needs of home-owners at that level.
- 5.2.8. The Policy promotes ‘cascading’ of housing and habitat development from the regional and urban development perspective adopted by the state to pave the way for synchronised sustainable habitat development. Planning at regional level in resonance with the overall strategy for the economy, spatial development extents, transportation and affordable housing is important for urban areas to make informed trade-offs on their use of scarce resources.

6. Areas of Policy Intervention

The Policy advocates the idea of considering a set of probable solutions and using a ‘best-fit’ combination of these solutions. The idea is to deal with each situation in a unique manner and provide a customised solution rather than having a preset approach to affordable housing irrespective of city/project specific conditions.

The Policy adopts a citizen centric approach to develop housing and habitat strategies keeping in mind the various housing options detailed below, the purchasing power of end user, ownership of land, construction agency involved and the type of financing required.

6.1. Development of End User Profile

To facilitate the aim of Housing for All, the state needs to identify its intended end users. For this, a probable end user profile has been identified on the basis of AHI and purchasing power of the intended end user. These target groups are elaborated in section 4.6 of the policy.

In order to successfully ascertain the end user profile the state needs to develop a primary database of the intended end users. The database will be linked to any one government recognised primary document, be it Aadhar Card/ Unique Healthcare Identification Number / Ration Card/ Voter ID Card. Each end user profile will include (besides the primary identification number) the family income, number of earning members, age, occupation, education levels and number of household members. A detailed database will be developed in a consultative manner with the stakeholders. The state would also introduce the geo-positioning of customer and housing project information to facilitate improvised monitoring and evaluation.

6.2. Probable Models for Access and Ownership

Given the varied income category and customer profile, the state will choose a correct mix of various housing provision models to facilitate accommodation of all intended users. The housing models have been recommended on the basis the objective of the project and the end user profile.

6.2.1. **Welfare:** Concept of providing permanent or transit shelters with suitable living conditions. These shelters could be dormitory type accommodation typically comprising of one room tenement, with basic amenities for Poorest of the Poor. This particular option will be available to a very limited section of society comprising of destitute, orphans, senior citizens, widows and any other citizens without a regular source of income. The allotment of shelters will be prioritised on the basis of the need of allottees and will be done on a vacancy basis. Welfare housing will be allotted for a lifetime and the allottees do not have any ownership rights on the property.

6.2.2. **Rental:** Rental or transit housing will be considered whenever there is a high incidence of migrant population. The housing facility, complete with the necessary social and physical infrastructure will be provided on a temporary basis. The rent may be varied according to the different income groups being accommodated. The target population basically includes labourers, sundry staff, students and domestic workers.

6.2.3. **Rent to own:** Rent to own housing model typically involves the initial allotment of the unit on a leased basis for a fixed number of years. The buyer will deposit the monthly rent (equivalent to Equated Monthly Instalments or EMI) in bank account. The EMI will

contain 80% rent and 20% thrift. When EMI amount reaches 10% of total unit price, property will be registered on buyer's name and hypothecated to bank and government. In case of non-payment of EMI, bank and government will resell property. Thrift amount will be returned to buyer without interest. Resale powers lie with bank and government till the completion of tenure. Once 100% payment is done, property papers will be handed over to buyer by de-hypothecation.

- 6.2.4. **Purchase:** The end user will own the housing from the beginning in this type of model. This set-up involves the housing allotment on a lottery basis. The prospective owner will enter into a financial relationship with a pre-approved financing institution and takes a mortgage funding for the housing facility. This mortgage will be paid back over a fixed number of years, after which the property papers are handed over to the buyer.

The administering ULB will use a mix of outreach models to best address the housing situation on a project basis.

6.3. Possible Approach for Habitat Development

The state/administering ULBs will consider the end user profile and the housing model in conjunction to arrive upon an appropriate approach for housing development. Other parameters to be considered are the total number of home-owners, size of land parcel available for development and the location of land parcel. The possible approaches that will be considered by the administering ULBs are detailed below:

- 6.3.1. **Multi-Family:** This type of housing includes housing structures that are designed to house several different families in separate housing units living independently of each other. The most common type of multi-family housing is an apartment building. The multi-family housing facilities are designed for similar income categories.
- 6.3.2. **Integrated Township:** An integrated township is a self-sustained urban development, which addresses the basic needs of the residents, has the necessary infrastructure for education, health care, shopping and has provisions for offering connectivity to the rest of the city within which it is housed. An integrated township provides the necessary social and physical infrastructure for sustaining the population it intends to house.
- 6.3.3. **Mixed Land-use:** Mixed land-use development typically refers to an urban development, which comprises of a combination of residential, commercial, industrial, institutional or recreational areas. Allocation of mixed land-use parcels is done on a divisional or sub-divisional planning level. Unlike the integrated township approach, this type of planning approach is intended for use by all urban citizens.
- 6.3.4. **Mixed income housing:** Mixed income housing refers to a large scale housing provision catering to different income groups. Here, clusters of housing facility catering to the needs of different income groups are developed. Within this type of housing approach, work shed cum home model are also developed to facilitate the accommodation of such home based entrepreneurs within the target population group.

The decision on type of development whether green field or brown field directly impacts the capital requirements for the project. This in turn affects the choice of financial model for funding and the subsequent paybacks. Therefore it is important to decide upon the nature of development beforehand.

Depending on the nature of development possible, the administering ULB shall formulate an appropriate case-based strategy with the intention of benefitting as many end users as possible, while taking measures to reduce the burden on natural resources and the exchequer.

6.4. Establishment of Land Ownership

As with other natural resources, usufruct right to land is of utmost importance. Keeping this thought in mind, it is often possible to free up portions of land within urban extents to the benefit of all those involved. Ownership of land becomes an important factor in deciding the approach for further development. Some of the possible opportunities, which may be adopted for development of housing, have been enumerated below.

6.4.1. Land Owned by Government Agencies: This type of land includes all land parcels, which are in possession of central, state and local agencies. While dealing with this type of land ownership, it is advisable to acquire necessary clearances, transfer the development rights to the ULBs.

6.4.2. Land Owned by Private Agencies: This typically includes land in possession of individuals or organisations. In such a case, the Government will acquire the land for construction of public infrastructure and facilities or make provisions to devote part of the land for affordable housing and compensating the developer in form of Transfer of Development Rights or increased FSI.

6.4.3. Land Owned by Private Agencies and Pooled for Future Development: This is a form of private land holding which involves the concept of land readjustment. This essentially involves the assembly of small rural or urban land parcels into a large land parcel, provide it with infrastructure in a planned manner and return the reconstituted land to the owners, after deducting the cost of the provision of infrastructure and public spaces by the sale of some of serviced land. This model by-passes the hassle of land acquisition, which is a tedious and time consuming process and has the capacity to ensure early delivery of serviced land.

The administering ULB, based on the type of land available, will develop relevant housing options to address the needs of the target population. The ULB shall consider developing a township on pooled land, welfare housing on government land or may formulate plans for integrated township with mixed housing on a PPP format. Each proposed project will be evaluated in depth to develop a customised solution.

6.5. Agency for Housing Construction

The decision of who constructs the facility greatly affects the financial model that needs to be adopted for any project under consideration. Depending upon the choice of the construction agency, the breakeven point for the project would vary.

6.5.1. Housing by Government Agencies: In this type of construction model, the responsibility of shelter construction rests with the administering ULB. While adopting

this approach, it is advisable that the ULB acquires the necessary clearances and obtain the development rights for the land in question.

6.5.2. Housing by Private Agencies: This typically includes habitat settlement, which is constructed by private individuals or organisations. The administering ULB plays a supervisory role to ensure the fulfilment of affordable housing commitments at the private partners end. The States/UTs decide on an upper ceiling on the sale price of EWS houses in rupees per square meter of carpet area in such projects with an objective to make them affordable and accessible to the intended beneficiaries. For that purpose, State administration and administering ULBs may extend other concessions such as their State subsidy, land at affordable cost, stamp duty exemption etc.

6.5.3. Housing through Public Private Partnership: To increase availability of houses for EWS category at an affordable rate, States/UTs, either through its agencies or in partnership with private sector including industries, can plan affordable housing projects. Central Assistance at the rate of Rs. 1.5 Lakh per EWS house is available for all EWS houses in such projects in accordance with PMAY. The administering ULB, through a State Level Nodal Agency (SLNA), will enter into a contractual agreement with a private agency for facilitating habitat development. The SLNA is completely responsible for the construction activity. Depending on the scale and outreach of the project, the administering ULB will arrive on an appropriate decision on facility construction.

6.6. Agency for Infrastructure Development

Construction of housing related physical and social infrastructure facilities is necessary for supporting the housing facilities. New infrastructure facilities will be developed for Greenfield projects and at times for integrated townships. In addition to this, the existing facilities will be upgraded in case of redevelopment, in-situ development and retrofitting. To facilitate the holistic habitat development, the administering ULB will make a decision on the responsible agency.

6.6.1. Infrastructure by Government Agencies: One of the most common ways for developing infrastructure facilities is through the government agencies. In this, the government provides the necessary infrastructure till the site of construction. Facilities within the construction site are provided by the developers or the individual owner, as the case may be.

6.6.2. Infrastructure by Private Agencies: The administering ULB can mandate a private developer for construction of relevant infrastructure facilities. The ULB/ State facilitates the private agency through monetisation of land. This approach can be adopted with high land value parcels, where the developer has the possibility to earn increased monetary benefits by utilising some part of the allocated land for commercial purposes. The benefits earned will be used for developing the relevant infrastructure facilities. Given the high cost of construction for infrastructure facilities, the administering ULB will decide upon this aspect well in advance of any project.

6.6.3. Infrastructure through Public Private Partnership: In case of large-scale projects another option is to construct the relevant infrastructure housing facilities through public private partnership. The administering ULB, through a SLNA can enter into a

contractual agreement with a private agency for facilitating the infrastructure development.

6.7. Provision of Capital Finance

Financing of the development of affordable housing is a crucial aspect in facilitating the accommodation of the target user groups. The responsibility of building a viable business model and determining the break-even point for each project is crucial for the success of any intervention.

The capital required for initiating the project may be obtained through various channels. These have been discussed below.

6.7.1. **Cross Subsidy:** The states will provide cross subsidy for a project in form of viability gap funding.

6.7.2. **Debt:** The project will be financed through debt to the project development agency on commercial terms

6.7.3. **Land Monetisation:** The project will be funded through monetisation of land assets. This form of financing benefits a private developer. The location of the land plays a very important role in exploiting this feature. The developer may also be incentivised with extra FSI/TDR/ FAR if required to make projects financially viable¹⁹.

6.7.4. **Corporate Social Responsibility (CSR):** The project can also exploit the funding available as part of CSR initiatives of major corporate houses based out of the state. CSR funding is often of a contributory nature. Projects will use this type of funding mechanism for financing 'visible' infrastructure facilities.

Each of the financing models discussed here may be used in conjunction with one another to determine the most suitable mix for a particular project.

6.8. Provision of Maintenance Finance

Post construction, operation and maintenance of the housing facility and the related infrastructure is extremely important in order to ensure that the planned facilities function in the intended manner. The O&M may be carried out by using an appropriate mix of any of the following mechanisms:

6.8.1. **Paid Directly by the User:** In this form of maintenance funding, the user pays for the provided utilities in form of utilities charges and taxes. Charges levied for using the utilities will be as per the 'pay as you use' format or be fixed as per an identified slab. The tariff thus collected will be used for common purposes by RWAs/Housing Cooperatives towards O&M of the habitat facility

6.8.2. **Cross Subsidised by the ULB:** The ULB will cross subsidize the O&M of utilities by levying higher user charges for higher income groups.

6.8.3. **CSR:** CSR initiatives of major corporate houses based out of the state can be utilized for O&M purposes too. This may be packaged with advertisement opportunities to attract corporates.

¹⁹ As of now, AP does not have FSI/ FAR provisions. The state may consider such provisions for future development to attract private investment

6.9. Provision of Mortgage Finance

All the beneficiaries will be linked to open market finance mechanisms

6.9.1. **Credit Linked Subsidy:** In this form of subsidy, the intended EWS and LIG home owners will be provided with Interest subvention subsidy for new house or incremental housing. Such a subsidy may be provided on home loans for amounts upto Rs. 6 lakhs for acquisition, construction of house. The interest subsidy will be credited upfront to the loan account of end-users through lending institutions resulting in reduced effective housing loan and EMI. Credit linked subsidy would be available for housing loans availed for new construction and addition of rooms, kitchen, toilet etc. to existing dwellings as incremental housing. The carpet area of houses being constructed under the credit linked subsidy should be upto 30 square metres and 60 square metres for EWS and LIG, respectively in order to avail of this credit linked subsidy. The beneficiary, at his/her discretion, can build a house of larger area but interest subvention would be limited to first Rs. 6 lakh only.

6.9.2. **Direct Subsidy** for beneficiary led individual house construction may also be provided. Pradhan Mantri Awas Yojana mission seeks to provide assistance to individual eligible families belonging to EWS categories to either construct new houses or enhance existing houses on their own. Such families may avail of central assistance of Rs. 1.5 lakh for construction of new houses. The state will develop its own framework for identification of the intended end-users. Central assistance will be released to the bank accounts of beneficiaries identified in projects through States/UTs as per recommendations of State/UT.

7. Procedures and General Guidelines

For effective habitat development, it is imperative to address the constraints and issues that the administering ULBs might encounter while implementing the policy. This requires putting in place mechanisms to streamline process across the lifecycle of habitat development.

7.1. Formulation of State Level Nodal Agency

7.1.1. In order to promote timely delivery and with the aim of reducing process inefficiencies, an interdepartmental State Level Sanctioning & Monitoring Committee (SLMC) should be set up. THE SLMC would be headed by the Chief Secretary . The representatives from the Government of Andhra Pradesh – Department of Housing (AP State Housing Corporation Ltd., AP Housing Board, AP Rajiv Swagruha Corporation Ltd.), Department of Municipal Administration & Urban Development, Department of Finance and Department of Revenue – should form the SLMC. The principle role of the SLMC would be to ensure the monitoring and regulation the SLNA

7.1.2. The process of housing and habitat development should be managed by the formulation of a State Level Nodal Agency (SLNA). One SLNA can manage a single urban city/area of population more than 10 lakhs or manage 2-4 cities/areas with population less than 10 lakhs. The role of the SLNA would be to ensure the participation of all stakeholders to facilitate a smooth implementation of policy manifestations and to ensure there is optimal monitoring and evaluation of the same.

7.1.3. The SLNA should serve as a single point of contact for all Affordable housing construction and management mandates. The SLNA would be accountable to the respective ULB as well as the Advisory Board.

7.1.4. The ULBs (Municipality Corporation and Municipality) representatives should approach the Project Management Unit (PMU) with the need of housing of the concerned area. The PMU under the guidance of a CEO would work with its respective branches to formulate a project proposal. There should be 3 main branches under the PMU:

- *Database Management Unit* – to handle the beneficiary data, the service providers' data, and data of possible land banks.
- *Marketing and Business Development Unit* – responsible for assessing the demand, developing the proposal for the project and undertaking sales and marketing of the project.
- *Financial Services Unit* – to have information on capital finance and mortgage finance.

7.1.5. The working of the SLNA should be an integrated process wherein there would be interaction between the various departments of the committee in order to formulate a holistic project proposal for affordable housing. The PMU should finalise the proposal for the ULB. Upon approval of the proposal, the Service Providers would be selected in order to commence the project. Monitoring and Evaluation would continue from pre-implementation to post implementation stage.

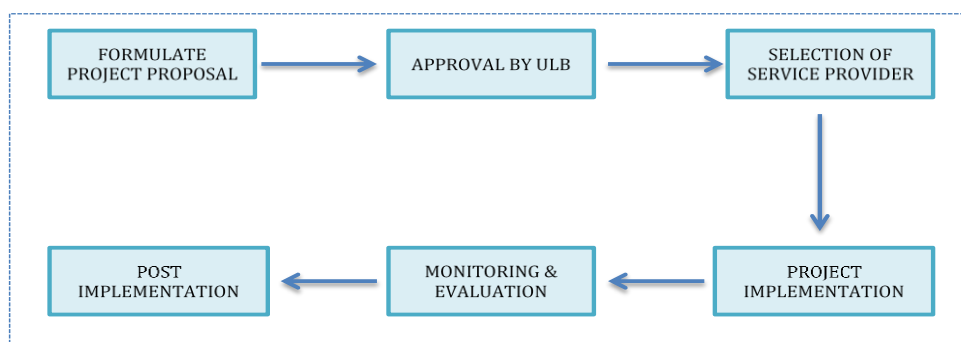


Figure 1: SLNA Working Process

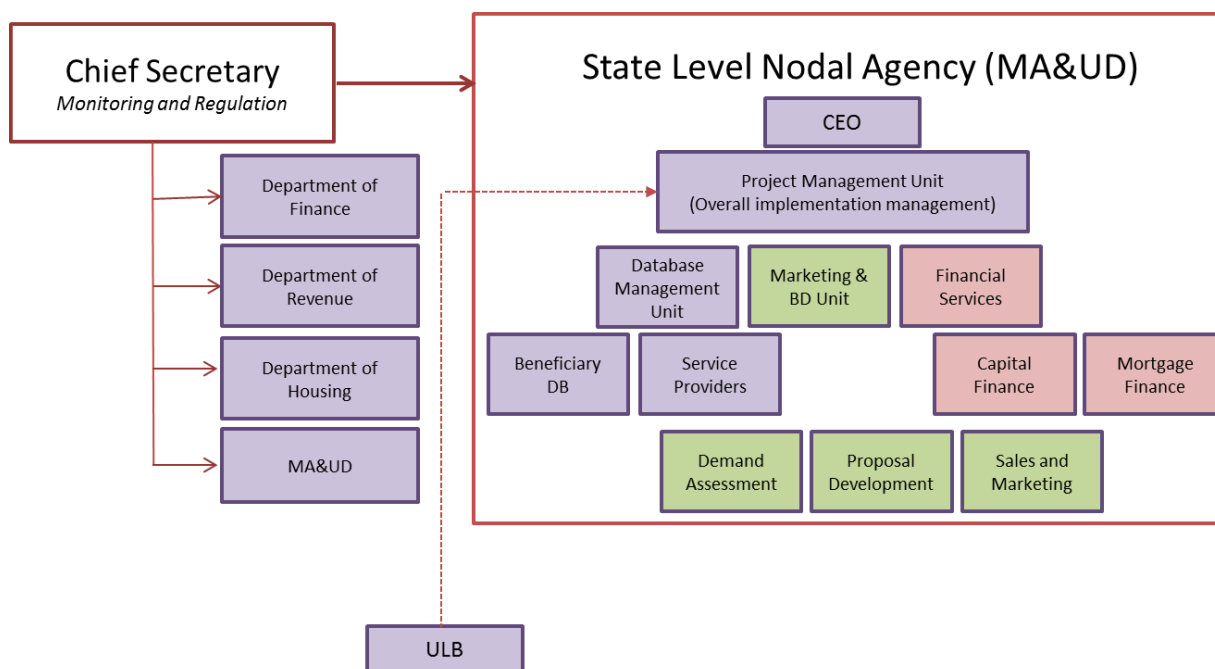


Figure 2: Structure of SLNA

7.2. Development of Integrated Database and its Use

In order to ensure maximum outreach to target users and ascertain optimal usage of available resources, the State, through the administering ULB, needs to develop an integrated database of users and resources

7.1.6. Development of Land Database: Transparent information flow and an integrated information system related to land, pricing, resources, etc. is critical for implementing and measuring effective programmes. Identification and inventorisation of available pockets of land should be undertaken in resonance with land use planning at the regional and master plan level. The land inventory should capture current available spaces for housing especially affordable housing as well as for future demands.

7.1.7. Development of Target User Database: A digital database of existing and potential end-users should be developed. This database should be linked with existing forms of identification like the Ration card, Unique Identification Number, etc. along with linking the home owners and their dependants. This allows for online monitoring of disbursement of schemes and ensure that public schemes are not misused. Use of JAM

mechanism [Jan Dhan, Aadhaar, Mobile Ration card] would also be added to this as it contains all names in the family such that no multiple registrations happen. The focal point in this intervention is to ensure that the administering ULB is enabled to follow one family-one house norm.

Also once offspring come of age; they can be suitably entitled to avail public schemes. This will also bring about transparency in the process of allotment. One kitchen-one house norm should be promoted to reduce the pressures on the planned resources.

- 7.2.1. Geo tagging to keep a tab on the progress of the project status monitoring and repayment of loans etc. is advocated. Progress of construction of dwelling units shall be tracked through geo-tagged photographs.
- 7.2.2. Online registration and tracking of builders and approved finance institutions should be undertaken to bring about better accountability and transparency. This would also help in obtaining fast track approval for building permission.
- 7.2.3. ICT enabled technology should also be used for registration of housing to end users, online application and tracking mechanism, unit allotment through e-lottery, loan disbursement and tracking, EMI status, reallocation and grievance redressal mechanism.

7.3. Development of a Single Window System

- 7.3.1. A single window system should be established that would serve the purpose of verification of the target users, application for houses, and allotment of the houses under the respective housing scheme. The system should incorporate the database of all the end users, policies and schemes, service providers, financial services. This system would ensure there is process efficiency by establishing an integrated system that allows tracking of the entire process thus helping in monitoring and evaluation of the same.

7.4. Selection of End User

- 7.4.1. Housing benefits through ULBs as well as UDA/statutory bodies should be claimed by only those end users who have been living in the respective cities/urban areas of Andhra Pradesh for at least three years.
- 7.4.2. The applicant should not own any leasehold or freehold house or plot either in his own name or in the name of spouse or any dependent member (including unmarried children) of his family in any urban area of Andhra Pradesh. An affidavit certified by the Notary Public should be submitted to this effect.
- 7.4.3. Before determining eligibility, applications should be invited from prospective end users. The implementation agency would allot houses to only those end users who qualify the annual income criteria.
- 7.4.4. The Income certificate is to be produced as proof towards eligibility by the applicant. Income certificate to be certified by concerned Employer in case of salaried individual & if the individual is self-employed the income certificate to be certified by Mandal Revenue Officer (MRO)/Municipal Officers/S.D.O. or any State official authorized by

the State Government. For identification as an end user (EWS or LIG beneficiary) under the scheme, an individual loan applicant will submit self-certificate/affidavit as proof of income

7.4.5. End users should self-declare their claim for housing schemes and the database. A third party independent verification can be undertaken to authenticate the information. In case of wilfully wrong declarations, the policy would blacklist the end users from availing public schemes.

7.4.6. The database would be used to ensure there is no double accounting and misappropriation of the benefits of public schemes.

7.5. Financial Systems

7.5.1. Financial systems should be streamlined to reduce risk for financial bodies lending to home owners. The principles of banking KYC (Know Your Customer) would be used for due diligence. The EMI (monthly instalments) for home owners should be determined taking into account their income amount and pattern. The EMI besides accounting for the debt amount and interest should build in insurance covers and other management fee related to the process. This would also help in inculcating a culture and practice of insuring assets

7.5.2. Financial Systems need to be in place for funding the projects being undertaken by the SLNA. An online system should be developed for tracking the project payments by the SLNA. It is recommended that all the central and state government grants are consolidated in a form of an escrow account. The money would be used towards funding the housing developments that the state plans under the SPV.

7.5.3. The financial systems should be linked to the integrated database to ensure there is efficient flow of information regarding the capital finances and mortgage finances.

7.6. Promotion of Private Investment

7.6.1. The project clearance mechanism for private developers should be streamlined. The single window system would be utilised to provide project clearances within 60 days.

7.6.2. In order to promote private investment in affordable housing projects, the state should offer incentives such as :

- FAR/FSI in the mixed development schemes for upto 250 dwelling units relaxed
- Upto 10% commercial construction within mixed development allowed
- City level infrastructure impact fee waived for affordable housing
- Minimum number of units in case of development of rental units relaxed
- Monetary incentives provided in the form of TDRs and land monetisation
- Shelter fee reduced

7.6.3. Following charges should be waived for affordable housing project component :

- Fees for conversion of land modification
- Levy on infrastructure development charges

- Building plan approval fees
- Stamp duties, registration fee, betterment charges
- Interest subsidy on Project Finance loans(Viability Gap Funding)

7.7. Monitoring and Evaluation

7.7.1. Monitoring and tracking of both physical and financial targets and achievements is crucial. In keeping with the spirit of transparency, there should be public disclosure by the SLNA by declaring progress of physical and financial targets on their website and the progress of the project should be reportable to the advisory board.

7.7.2. Benchmarking areas and establishing performance based indicators is a pre-requisite to monitor the level of progress. This should be done for the assets created as well as operation and maintenance of these assets. The mechanism would help ensure that the incentives provided to both the developers/suppliers and the buyers are correctly targeted and utilised. An ICT based monitoring and evaluation system should be adopted by the SLNA to streamline the process.

7.8. Post Occupancy Review and Grievance Redressal

7.8.1. A post occupancy review or evaluation should be conducted to understand homeowner perspective and levels of satisfaction with respect to the physical targets achieved. Conducting social audits during the entire project cycle, to ensure transparent allotment project is also an aspect that shall be looked at.

7.8.2. Adopting a procedure to incorporate grievance redressal should strengthen the implementation process.

7.9. Community Participation

7.9.1. Community should be involved in the entire project cycle, from planning to implementation to monitoring of the project. Including the community in the monitoring of the progress of the project, along the established benchmarks can help ensure transparency in the system.

7.9.2. Housing Cooperatives should be established to protect and promote the interest of dwellers in maintenance of housing. A multi-disciplinary governing council of the housing cooperative would identify the right end users through transparent process. Resident Welfare Associations should be established for safeguarding the interests of end users. O&M and other post-occupancy issues shall be addressed by the RWAs.

7.9.3. Information about project and awareness generation should be disseminated with the help of NGOs, CBOs, Self-help Groups.

7.9.4. Social audits should be conducted during the entire project cycle, to ensure transparent allotment project.

7.10. Sustainable Technologies' Promotion

7.10.1. All buildings should be designed and constructed using proven, safe and alternate construction technologies. Sustainable building materials should be procured from local entrepreneurs.

- 7.10.2. State Government should ensure development and adaptation of alternate as well as local indigenous technologies to ensure disaster safety. Alternate technologies should be included in the state Schedule of Rates.
- 7.10.3. The guidelines for Disaster Resilient Construction and land use planning should be observed and enforced by the State Government. Emphasis should be given on adopting low cost disaster resilient technologies.
- 7.10.4. Nirmittee Kendras or Building Centres at the district level should be set up and help in the promotion of appropriate alternate materials and technologies. Besides Greenfield projects, these centres should also cater to technology needs for retrofitting existing buildings especially in terms of plumbing and electrical systems.
- 7.10.5. Standardisation of various building materials should be emphasised so as to get better quality products.
- 7.10.6. Additional incentives should be given for adopting Green construction technologies as specified in Confederation of Indian Industry's 'Green Guidelines for Affordable Housing'.
- 7.10.7. Technology fund at the national level should be created to promote use of new & innovative technology.
- 7.10.8. Designing work-shed [community /individual facility for local employment] home-cum-work models to enable opportunities and space for economic activities should be encouraged.
- 7.10.9. Recycling and reuse of waste water, rain water harvesting, landscaping of the site, etc. should be made mandatory and the standards and specifications may be prescribed by rules in the building bye laws. This should be implemented at the time of construction of the buildings.

7.11. Capacity building

- 7.1.8. Capacity building of officials at the urban local body level is essential to ensure that the implementation of the policy is seamless. Capacities should be built in terms of understanding ownership models, technologies and financial mechanism to identify and implement the best solution for each case.
- 7.1.9. An elaborate framework for capacity building of department officials at various levels should be prepared and implemented which would contain the phases of training need identification, training delivery and impact assessment on a continual basis to strengthen the institutional capacities of Housing functionaries including housing, parastatals and municipal cadres at state and district levels.
- 7.1.10. Resource centres empanelled under Housing for All Mission/ or empanelled by state should provide capacity building trainings and other activities.

7.12. Housing Design

The ULBs should follow the guidelines as detailed below for providing the basic minimum facilities.

Table 3: Tenement Details

Type	AHI	Design	Minimum Plinth	Housing type	Structure
EWS-I	POP / BPL	1 room with comm. toilet	30 sq. m.	Shelter home Transit home	G+ 2/3 S + 10
EWS-II	BPL /APL Up to 1 lakh	1.5 BHK	40 sq. m.	Rental Home Ownership -In-situ / resett.	Indep. house G+ 2/3 S + 10
LIG-I	1 – 2 lakhs	2 BHK	50 sq. m.	Rental Home Ownership	G+ 2/3 S + 10
LIG-II	2 – 3 lakhs	2.5 BHK	60 sq. m.	Rental Home Ownership	G+ 2/3 S + 10

8. Role of Various Stakeholders

Stakeholder play a critical role in ensuring the provision of houses and maintaining the momentum for delivery by providing an appropriate implementation vehicle. It is necessary to identify the various stakeholders and define their roles and responsibilities for smooth and effective implementation of housing policy and programmes.

8.1. Role of Central Government

In order to supplement the efforts of the State Government, it is anticipated that the Government of India support will be forthcoming in the following aspects:

- 8.1.1. Provide support through National Policies, Programmes and Schemes and act as a facilitator in the creation of affordable housing stock.
- 8.1.2. The Central Government will also on one hand provide for capital grants support to Affordable Housing projects under various schemes to act as a lever to boost the supply of affordable housing and also provide for greater channelization of credit to the urban poor to enhance their purchasing power on the other.
- 8.1.3. MHUPA from time to time will provide inputs to the Ministry of Finance for providing fiscal and financial incentives to this segment.
- 8.1.4. The Government of India shall also strive to accord industry status to the real estate segment.
- 8.1.5. The Government of India shall also consider making Viability Gap Funding available for Affordable Housing projects.
- 8.1.6. Facilitate greater flow of capital through external sources like the External Commercial Borrowings and Foreign Direct Investment.
- 8.1.7. The Central Government will encourage development of new avenues for project financing for Affordable Housing including that from the insurance and pension funds.
- 8.1.8. The recent initiatives of Government of India like the Credit Risk Guarantee Fund Trust and Urban Housing Fund needs to be further promoted

8.2. Role of State Government

- 8.2.1. Ensure that 25% of the Government land available with ULBs in utilised for construction of BPL/EWS/LIG/LMIG housing.
- 8.2.2. Ensure that various notifications for land acquisition are issued well in time, particularly notification under section 4 (1) will be issued on TOP PRIORITY so that negotiations are conducted in a time bound manner.
- 8.2.3. As far as possible and feasible concerned Department to set up Primary School/Dispensary/AnganWadi etc., in the scheme of BPL/EWS/LIG/LMIG Flats or in nearby area.
- 8.2.4. Social Infrastructure provisions to be made as per UDPFI Guidelines.
- 8.2.5. Ensure that nominal stamp duty is charged for BPL/EWS/LIG/LMIG housing as per order issued by finance Department.

- 8.2.6. Encourage NGOs, self-help groups in housing activities & involvement in micro finance to assist the end users meet cost of dwelling units.
- 8.2.7. Promoting various incentives in private section & cooperative sector to undertake housing & infrastructure projects.
- 8.2.8. Ensure creation of land bank in various ULBs.
- 8.2.9. Preparation of action plan & programmes to meet housing shortage & augment supply of land for housing particularly for BPL/EWS/LIG/LMIG group.
- 8.2.10. Advise related agencies to take up housing for industrial laborers and other such groups.
- 8.2.11. State government shall empanel Resource Centers to develop capacity building training modules customized to the needs of the state.

8.3. Role of Revenue Department

- 8.3.1. Land parcels allocated for affordable housing shall be transferred to ULBs / Greater Municipal Corporations/ Urban Development Authorities for development of affordable housing units within pre-determined Land Use as per Master Plans.
- 8.3.2. Revenue Department shall publish land record details on its website.

8.4. Role of Urban Local Bodies

- 8.4.1. Ensure mechanism for transparent selection of end users and offer help desk services to register in the e-portal with all supportive documents.
- 8.4.2. After screening, the final list to be displayed for a period of one month for contestation by involving communities.
- 8.4.3. Assistance in transparent allotment process based on the guidelines.
- 8.4.4. Ensure provision of physical & social infrastructure in affordable housing projects.
- 8.4.5. Assign execution of affordable housing projects to housing department entities.
- 8.4.6. Guide the urban poor in execution of the deeds on priority.
- 8.4.7. Ensure that handed over property to end user is insured.
- 8.4.8. Ensure that loans are sanctioned to end users by banks & interest subsidy is also availed by end users.
- 8.4.9. Ensure that at the time of handing over the property the end user becomes the registered applicant of the society which will maintain the common services. End user should also deposit the one time security deposit for the same.
- 8.4.10. Ensure that the scheme is sanctioned within the prescribed time.
- 8.4.11. Ensure that building plans are got approved expeditiously.
- 8.4.12. Ensure that external development works are taken up and completed in a time bound programme and in pace with the internal development works.

- 8.4.13. Appoint a nodal officer for coordination of the various activities of the Project with Housing Department, Banks, end users, other Departments.
- 8.4.14. Provide comfort to the Banks through assurance of takeover of the defaulter's unit and repayment of Bank loan. The unit can be allotted to another end users against payment.
- 8.4.15. Ensure that original allotment letter is mortgaged to the bank.
- 8.4.16. Consider affordable housing stock already available while assessing the housing demand in respective cities.

8.5. Role of Developers

- 8.5.1. Take up housing projects for BPL/EWS/LIG/LMIG category as per provisions of the scheme.
- 8.5.2. Ensure quality control, safety measures, facilities for workers at the work site.
- 8.5.3. Execution of all internal development works including Rain Water Harvesting and Sewerage Treatment Plant.
- 8.5.4. Undertake adequate tree plantation works.
- 8.5.5. Ensure testing of quality of materials & use of latest machines at construction site.
- 8.5.6. Ensure compliance of all the procedural guidelines issued under this policy.
- 8.5.7. An undertaking in the form of Affidavit that in case he leaves the works incomplete Housing Board would complete at his risk & cost.
- 8.5.8. Handover possession of completed units of BPL/EWS/LIG/LMIG to Housing Department / ULBs for allotment to the end users.
- 8.5.9. Maintain the scheme for at least 3 years after completion of the project.
- 8.5.10. Create a corpus for maintenance fund immediately after completion of project. Amount to be kept in a separate bank account and handed over to the Resident Welfare Association.

9. Annexure I: Models of Affordable Housing

Table 4: Illustrative Examples of Rent to Own Housing Model for LIG

Type	Price /EMI	20 Y	15 Y	10 Y
LIG ~400 sft. 1 BHK	Unit price	600000	600000	600000
	8% Interest	604475	432103	273559
	Total price	1204475	1032103	873559
	Down payment [20% U.P.]	1.20 lakhs	1.20 lakhs	1.20 lakhs
	Rent-to-ownership tenure	30m	25m	20m
	EMI [Rent + thrift]	5018	5733	7280

Type	Price /EMI	20 Y	15 Y	10 Y
LIG ~500 sft. 2 BHK	Unit price	750000	750000	750000
	8% Interest	755592	540130	341948
	Total price	1505592	1290130	1091948
	Down payment [10%]	1.50 lakhs	1.50 lakhs	1.50 lakhs
	Rent-to-ownership	24m	20m	16m
	EMI [Rent + thrift]	6275	7167	9099

Illustrative Example 1: Gudur Municipality

- Slum Population: 23481
- BPL Population: 16918
- Target Population: 100 houses
- Assumption: AHI b/w 0-50,000; colony based on govt land

Table 5: Illustrative Decision Matrix

Home-Owner Profile	EWS (> 1 Lakh)	EWS (1-3 Lakh)	LIG (3-4 Lakh)	LIG (4-6 Lakh)
Models for Access and Ownership	Welfare	Rental	Rent-To-Own	Ownership
Approach for Habita Development	Multi-Family	Integrated Township	Mixed Land-Use	Mixed Income Housing
Nature of Development	Greenfield	Brownfield		
Land Ownership	Government	Private	Private Pooling	
Housing Construction	Government	Private		
Trunk Infrastructure Construction	Government	Private		
Capital Finance	Cross Subsidy	Debt	Land Monetisation	CSR
Maintenance Finance	Users Pay	Cross Subsidy from ULB	CSR	
Mortgage Finance	Central/State Grant	Loan at Reduced Rate		

Illustrative Example 2: Greater Vizag Municipal Corporation

- Slum Population: 600,000
- Target Population: Ward No. 35, Sweepers Colony, 90 houses (being covered under RAY, used here for illustration purposes)
- Assumption: AHI b/w 25,000-100,000; colony based on government land

Table 6: Illustrative Decision Matrix

Home-Owner Profile	EWS (> 1Lakh)	EWS (1-3 Lakh)	LIG (3-4 Lakh)	LIG (4-6 Lakh)
Models for Access and Ownership	Welfare	Rental	Rent-To-Own	Ownership
Approach for Habitat Development	Multi-Family	Integrated Township	Mixed Land-Use	Mixed Income Housing
Nature of Development	Greenfield	Brownfield		
Land Ownership	Government	Private	Private Pooling	
Housing Construction	Government	Private		
Trunk Infrastructure Construction	Government	Private		
Capital Finance	Cross Subsidy	Debt	Land Monetisation	CSR
Maintenance Finance	Users Pay	Cross Subsidy from ULB	CSR	
Mortgage Finance	Central/State Grant	Loan at Reduced Rate		

10. Annexure II: Situation Analysis Report – Andhra Pradesh