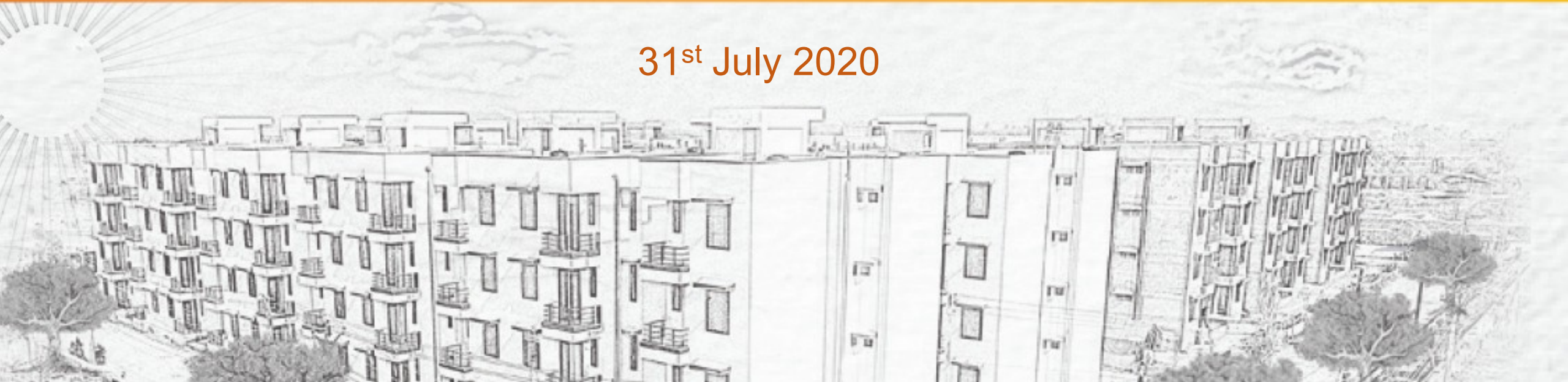


Affordable Rental Housing Complexes (ARHCs)

Ease of Living for Urban Migrants/ Poor

31st July 2020



Background

- ❑ Large scale **reverse migration** of urban migrants/ poor due to COVID-19
- ❑ Urban migrants **stay in slums/** informal settlements/ unauthorised colonies/ peri-urban areas to save cost on housing
- ❑ Non availability of **housing close to workplace** adversely impacts productivity
- ❑ Requirement of affordable **rental housing** rather than ownership



Objectives

- ❑ Address the vision of **‘AatmaNirbhar Bharat’** by creating affordable rental housing for urban migrants/ poor
- ❑ Provide **dignified living** with necessary civic amenities near their workplace on affordable rent
- ❑ Create conducive **ecosystem** for Public/ Private Entities to **leverage investment** in rental housing



Salient Features

- ❑ To be implemented in **all Statutory Towns**, Notified Planning Areas and areas under Special Area/Development Authorities/Industrial Development Authorities
- ❑ Projects to be considered **till March 2022**.
- ❑ **ARHCs** can be a **mix of Single/Double bedroom DUs** (30/60 sqm carpet area) with living area, kitchen, toilet and bathroom and **Dormitory Bed** (10 sqm carpet area) with common kitchen, toilet and bathroom.
- ❑ **A maximum of 33%** houses with double room permissible in a project.
- ❑ **Institutional Rental Mechanism:** In-block renting for smooth implementation and sustained income
- ❑ **Two-pronged strategy** for implementation (Two Models) **(tbd.)**

Beneficiaries of ARHCs

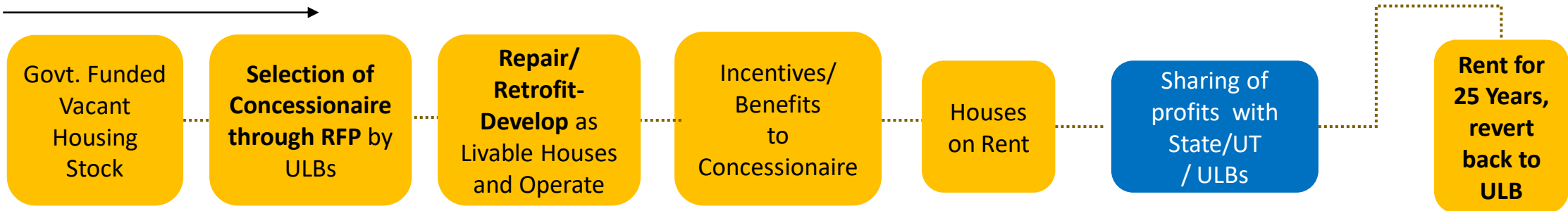


Illustrative list

Model-1

Converting existing vacant Government (Central/State) funded houses into ARHCs under Public Private Partnership (PPP) mode or by Public agencies.

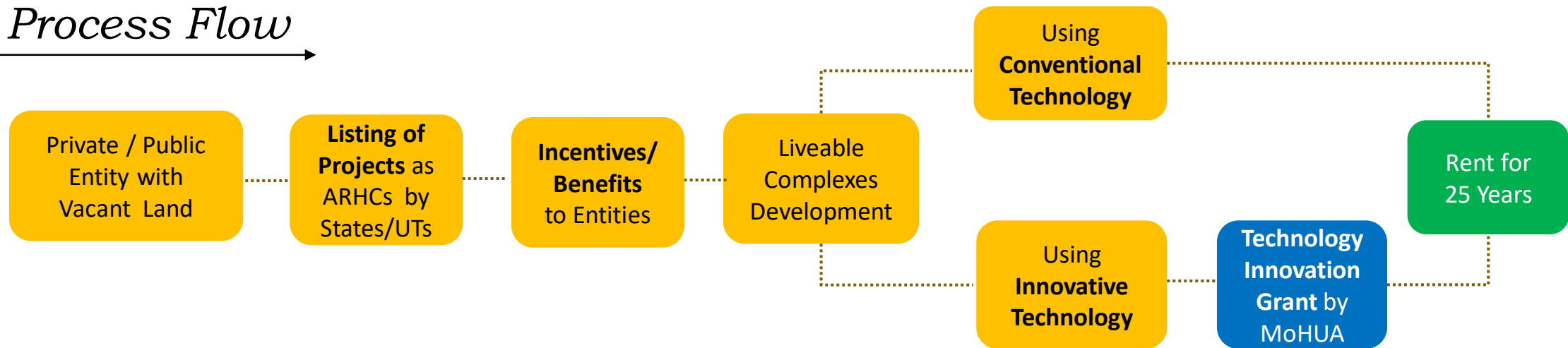
Process Flow



Model-2

Construction, Operation and Maintenance of ARHCs by Private/ Public Entities on their own available vacant land.

Process Flow →



Proposed Incentives/ Benefits

Central Govt.

- ⑩ Concessional Project Finance under Affordable Housing Fund (AHF) & Priority Sector Lending (PSL)
- ⑩ Exemption in Income Tax & GST on any profit & gains from ARHCs
- ⑩ Technology Innovation Grant (TIG) for promoting use of innovative technology

States/UTs/ULBs/Parastatals

- ⑩ Use Permission changes, if needed
- ⑩ 50% additional FAR/FSI, free of cost
- ⑩ Single window approval of ARHC projects (within 30 days)
- ⑩ Trunk infrastructure upto the project site
- ⑩ Municipal charges at par with residential property

Funding Pattern

Model- 1

- ❖ Investment by Concessionaire
- ❖ VGF from Central Assistance released to States/ UTs for JnNURM/ RAY projects, if needed
- ❖ Approximately 75,000 Govt. funded existing houses to be converted as ARHCs, initially

Model-2

- ❖ Investment by Entities
- ❖ TIG of Rs. 1,00000/ for double bedroom
- ❖ Rs. 60,000/- for single bedroom &
- ❖ Rs. 20,000/- per Dormitory Bed, for projects using innovative technology

Role of MoHUA

- ❑ Sharing **model Request for Proposal (RFP)** to States/UTs for further suitable customization and issuance for selection of Concessionaire. *(Repair/Retrofit, Develop, Operate & Transfer)*
- ❑ Issuance of **Expression of Interest (EoI)** for shortlisting of Entities by ULBs to Construct, Operate and Maintain ARHCs on their own available vacant land.
- ❑ Developing **ARHC website** for documentation, knowledge sharing and management of projects.
- ❑ Central Sanctioning & Monitoring Committee (**CSMC**) approval of projects requiring TIG & Monitoring.

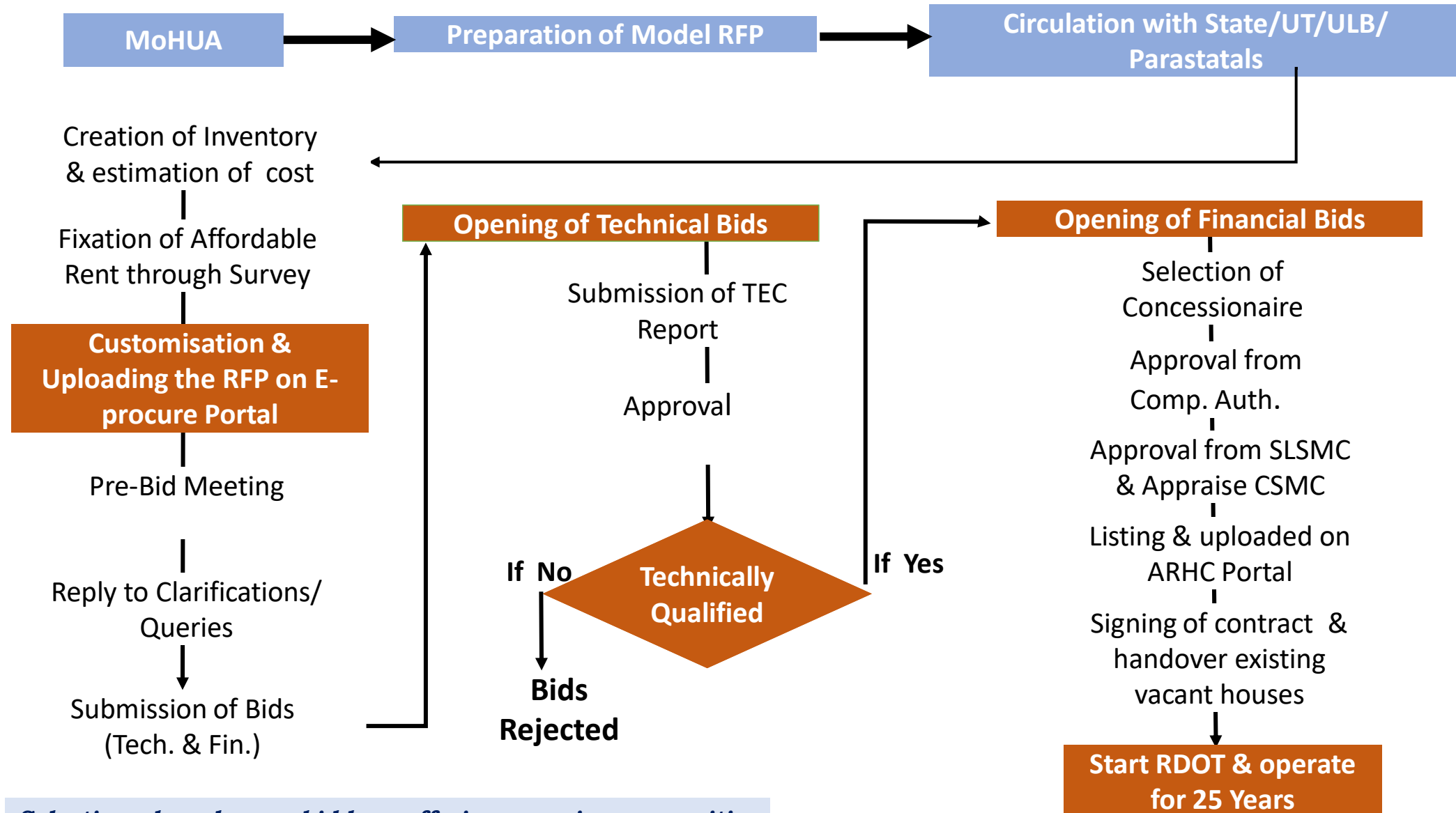
Role of Private/ Public Developers- Model 1

- ❑ **Participate in the bidding process (RFP)** for selection of Concessionaire by ULBs
- ❑ **Repair/retrofit/develop** the existing vacant buildings/houses along with infrastructure (gap filling) to make it **livable**
- ❑ **Tie-up** with local factories/institutions/associations/aggregators for **in-block allotment** for sustained occupancy and revenue
- ❑ **Sharing of revenue** with ULB as per Concession Agreement
- ❑ **Operate & Maintain the complexes for 25 years**
- ❑ **Hand over the complexes to ULB** after contract period

Role of Private/ Public Developers-Model 2

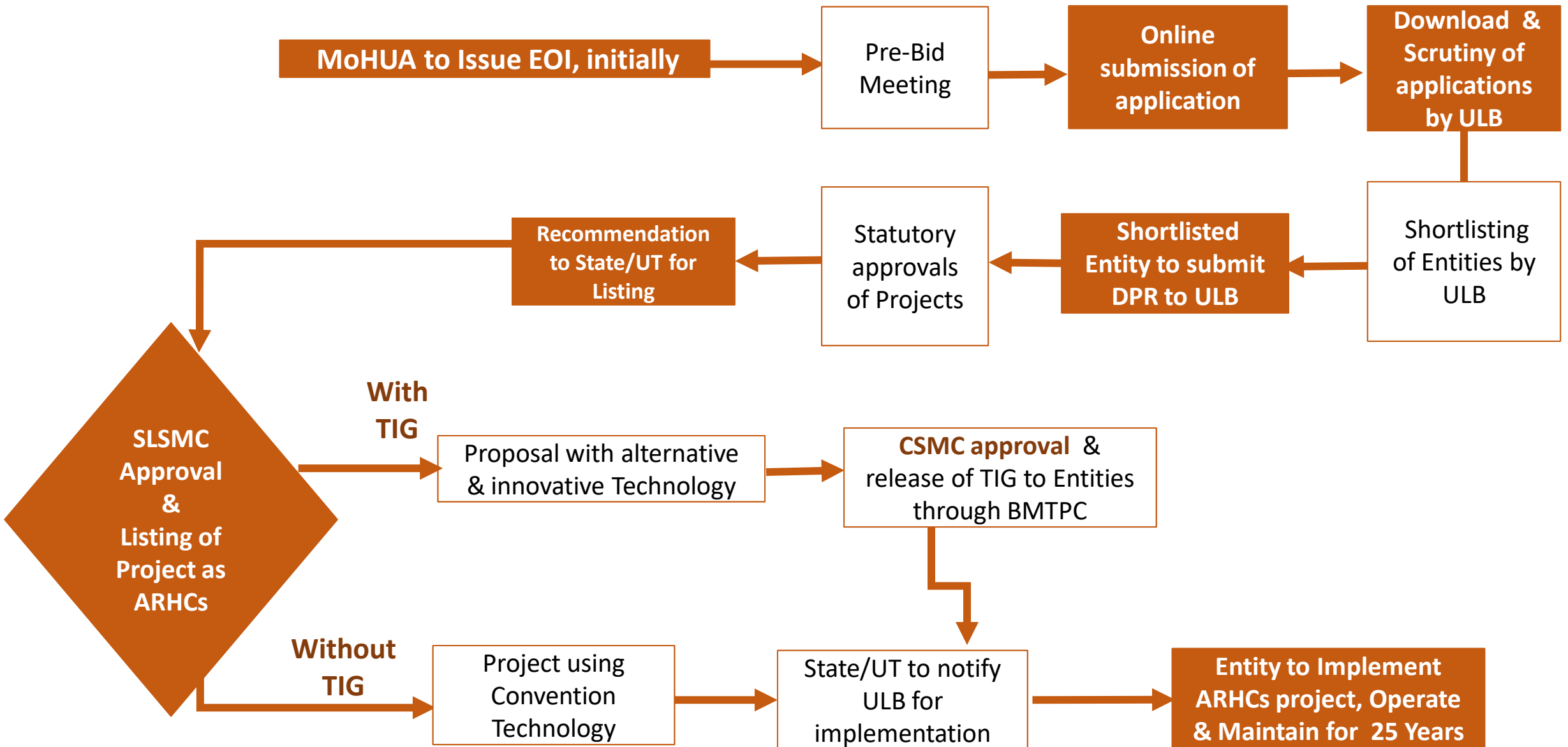
- ❑ **Identify suitable vacant land** for construction of ARHCs
- ❑ **Upload application** in response to Expression of Interest (EoI) on ARHC website: arhc.mhwa.gov.in, to be **shortlisted by respective ULBs**
- ❑ After shortlisting, **submission of DPR** to ULB for approval
- ❑ Seek all **statutory approvals** of the project
- ❑ Fix initial **affordable rent** in consultation with ULB
- ❑ **Tie-up** with local factories/institutions/associations/aggregators for **in-block allotment** for sustained occupancy and revenue
- ❑ **Construct, Operate & Maintain** ARHCs on own vacant land for **25 years**
- ❑ Permissible **commercial built up space** may be sold

RFP Process Flow (Model-1)



Selection based on bidder offering maximum positive premium to ULBs

Eol Process Flow (Model-2)



Expected Outcomes





Thanks



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