

**Ministry of Housing and Urban Poverty Alleviation**

**Government of India**



**September, 2013**

**Scheme Guidelines**

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**Affordable Housing in Partnership**

## PREFACE

India's Urban Population has grown over the past 3-4 decades from 109 million in 1971 to 377 million in 2011 and is expected to grow to almost 600 million by 2030. While rapid urbanization and growing cities provide various opportunities, there are fallout in terms of proliferation of slums, high prices of land and building materials which render houses unaffordable for the segment at the bottom of the pyramid. Further Census 2011 has estimated 65 million slum population in the 4041 statutory towns. The technical committee constituted by this Ministry has estimated housing shortage at 18.78 million during the 12<sup>th</sup> FYP period of which over 95% of this housing shortage is estimated in the Economically Weaker Sections (EWS) and Low Income Group (LIG) categories. Accordingly, to address this shortage intensive efforts are required to substantially increase affordable housing stock.

In this direction, Ministry has been implementing Jawaharal Nehru National Urban Renewal Mission (JNNURM) and Rajiv Awas Yojana as supply side interventions to tackle the problem of slums.

The scheme of Affordable Housing in Partnership aims to encourage private sector participation in creation of affordable housing stock recognising that mere efforts of Government would be insufficient to address the housing shortage. It was earlier introduced in 2009 as part of BSUP component of JNNURM and subsequently, Rajiv Awas Yojana (RAY) was dovetailed with RAY in 2011.

Central Government has now approved implementation of RAY for the period of 2013-2022. Affordable Housing in Partnership Scheme (AHP) will also continue as part of RAY with suitable amendments.

RAY envisions a "Slum Free India" with inclusive and equitable cities in which every citizen has access to basic civic infrastructure, social amenities and decent shelter. It aims to encourage States/Union Territories (UTs) to tackle slums in a definitive manner, by focusing on:

- Bringing all existing slums, notified or non-notified (including recognised and identified) within the formal system and enabling them to avail the basic amenities that is available for the rest of the city/UA;

- Redressing the failures of the formal system that lie behind the creation of slums by planning for affordable housing stock for the urban poor and initiating crucial policy changes required for facilitating the same.

The implementation strategy of RAY involves two-steps i.e. preparation of Slum free City Plan of Action (SFCPoA) and preparation of projects for prioritized slum. The SFCPoAs are to be in two parts: a) Curative Strategy for slum redevelopment of all existing slums; and b) Preventive Strategy for containment of growth of future slums. AHP is envisaged as a part of preventative strategy of RAY. AHP scheme would also encourage creation of rental housing stock and dormitories for the new migrants. This is necessitated by the estimation of Census 2011 that about 27.5% of the urban population is living in rented accommodations.

These are AHP scheme guidelines which broadly describe the Scope, Coverage, Implementation Approach, Financial Assistance, Administrative & Implementation structure and Monitoring mechanisms under the scheme.

These guidelines supersede Affordable Housing in Partnership Guidelines issued by this Ministry in 2009. The Ministry of Housing & Urban Poverty Alleviation may modify these Guidelines as required from time to time with the approval of Hon'ble Minister (HUPA).

## 1. OBJECTIVE

The objectives of the AHP scheme are:

- 1.1. Institutionalizing mechanisms for prevention of slums including creation of affordable housing stock.
- 1.2. Address the Housing shortage through Public Private Partnership (PPP).
- 1.3. Provide necessary fillip to the activities of the Housing Boards and Development Authorities and
- 1.4. Encourage State Governments/ Union Territories to provide incentives to facilitate accelerated creation of affordable housing stock.

## 2. SCOPE:

Central government will assist in construction of houses for EWS/LIG as part of group housing schemes of the States/UTs. These housing schemes will be implemented by the States/UTs through partnership with private sector or public sector including Parastatal. For purposes of this scheme, the main parameters are defined as under:

- 2.1. **Affordable Houses:** Dwelling units (DUs) with Carpet Area between 21 to 27 Sqm. for Economically Weaker Section (EWS) category and 28 to 60 Sqm. for Lower Income Group (LIG) category. The sale price of these houses would be determined by States/UTs in consultation with Centre with due consideration to affordability of targeted segment.

- 2.2. **Affordable Housing Project:** Projects using at least 60 percent of the FAR/ FSI for dwelling units of Carpet Area not more than 60 sqm. will be considered as Affordable housing projects. In addition, 35 percent of the total number of dwelling units constructed should be of carpet area 21-27 sqm for EWS category. Such projects can have a mix of EWS/LIG/Higher Category DUs and commercial units. Provision of servant's quarters along with the main dwelling unit will not be counted as dwelling units for EWS/LIG under Affordable Housing (AH) project.

- 2.3. **Economic Criteria of the Beneficiaries:** The intended allottees of EWS/LIG houses constructed under AH project will be classified as under: