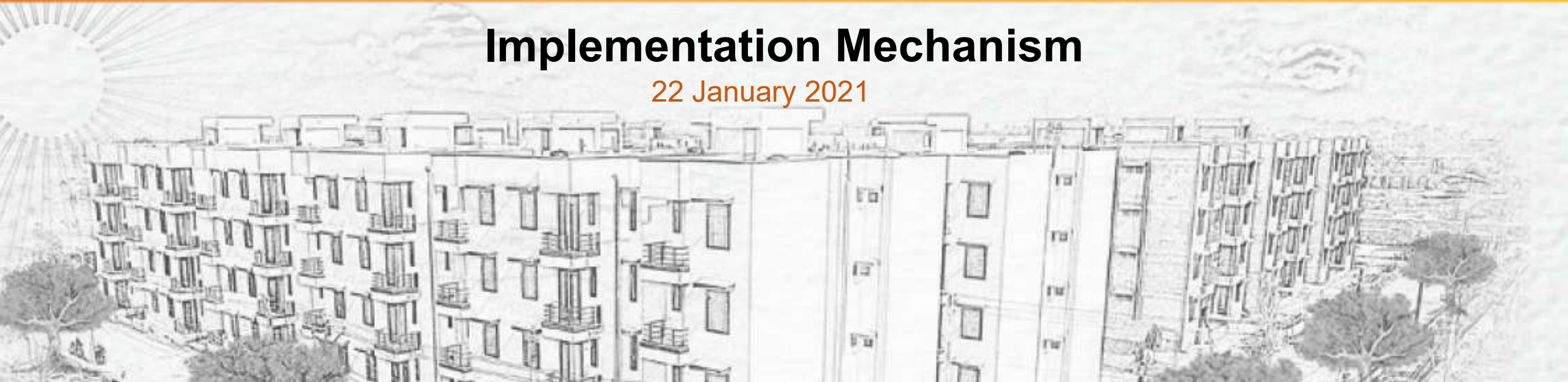


Affordable Rental Housing Complexes (ARHCs)

Ease of Living for Urban Migrants/ Poor

Implementation Mechanism

22 January 2021



Models of Implementation

Model-1

Converting Existing Vacant Government Funded Houses into ARHCs under Public Private Partnership mode or by Public Agencies.

Model-2

Construction, Operation and Maintenance of ARHCs by Private/ Public/ Private Entities on their own Available Vacant Land.

Implementation Period? Till PMAY(U) Mission period (March 2022)

Implemented Where? All Statutory Towns, Notified Planning Areas and areas under Special Area/ Development Authorities / Industrial Development Authorities.

Process Flow - Model-1

Creation of Inventory of Vacant Houses

Fixation of Rent based on Local Survey

Issuance of Customized RFP for Selection of Concessionaire

Selection of Concessionaire Based on Maximum Premium

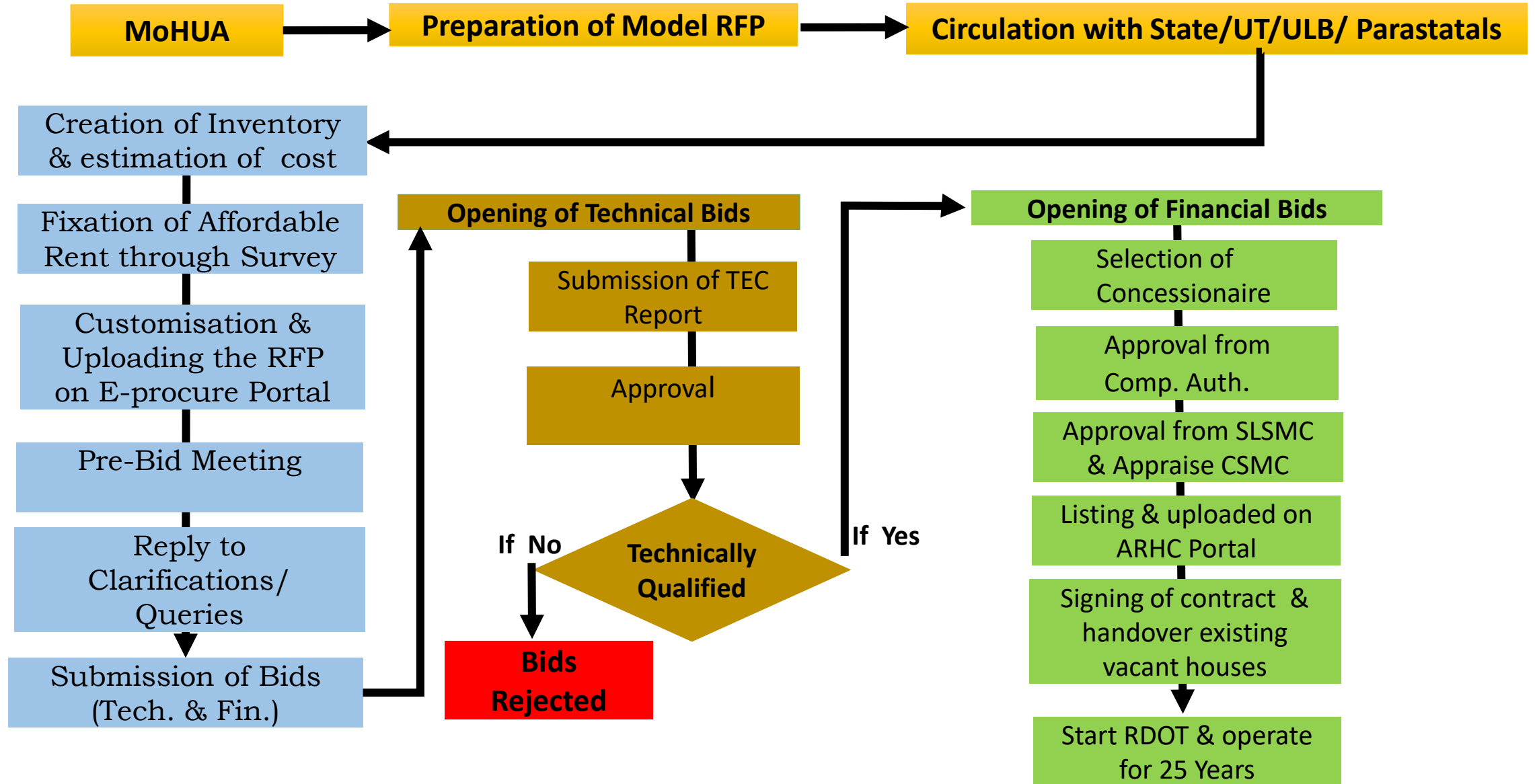
Repair/Retrofit/Gap filling of Infrastructure by Concessionaire

Provide Incentives/Benefits to Concessionaire as per Guideline

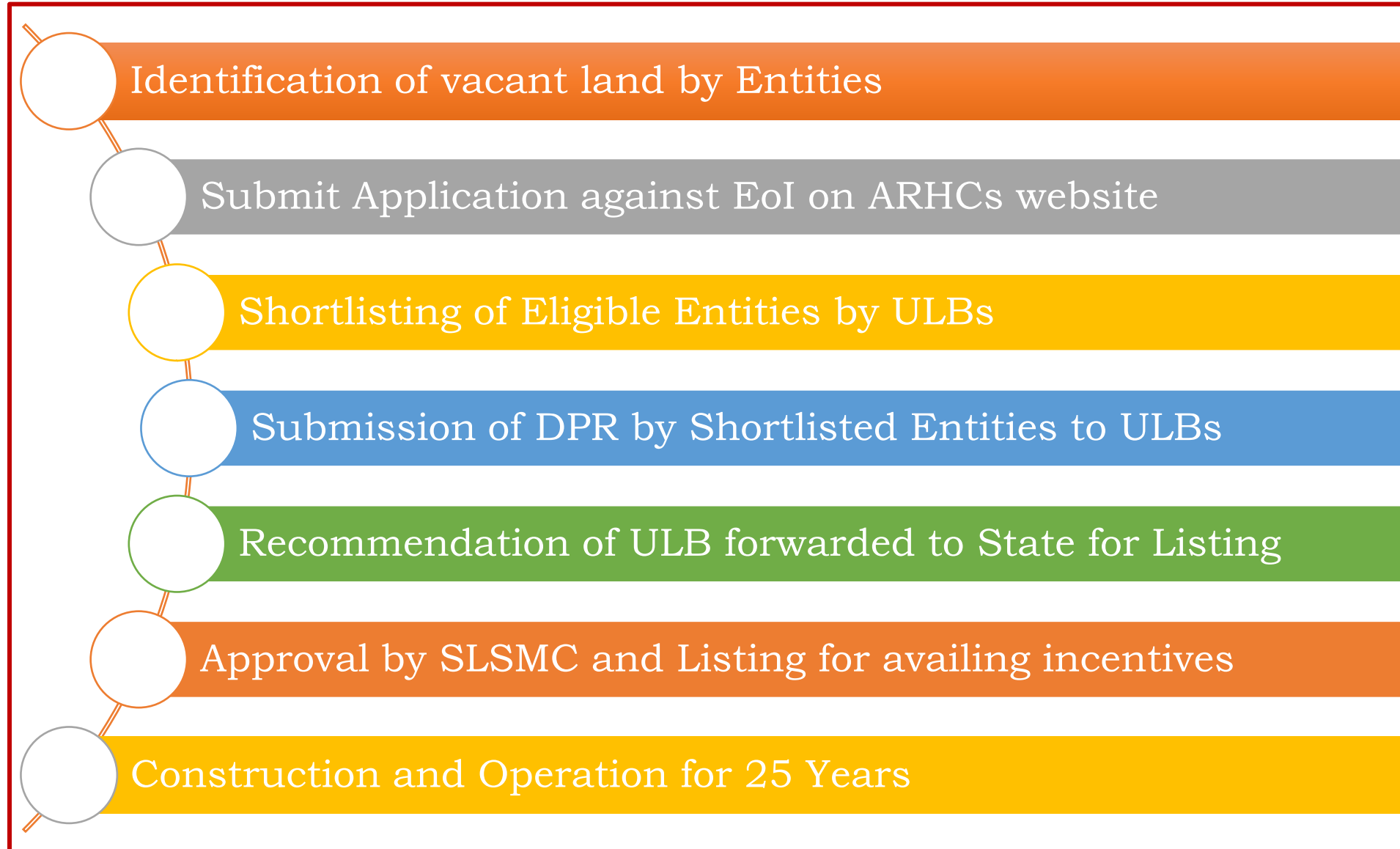
Operation and Maintenance by Concessionaire for 25 Years

Hand over Houses to Implementing Agency after Contract Period

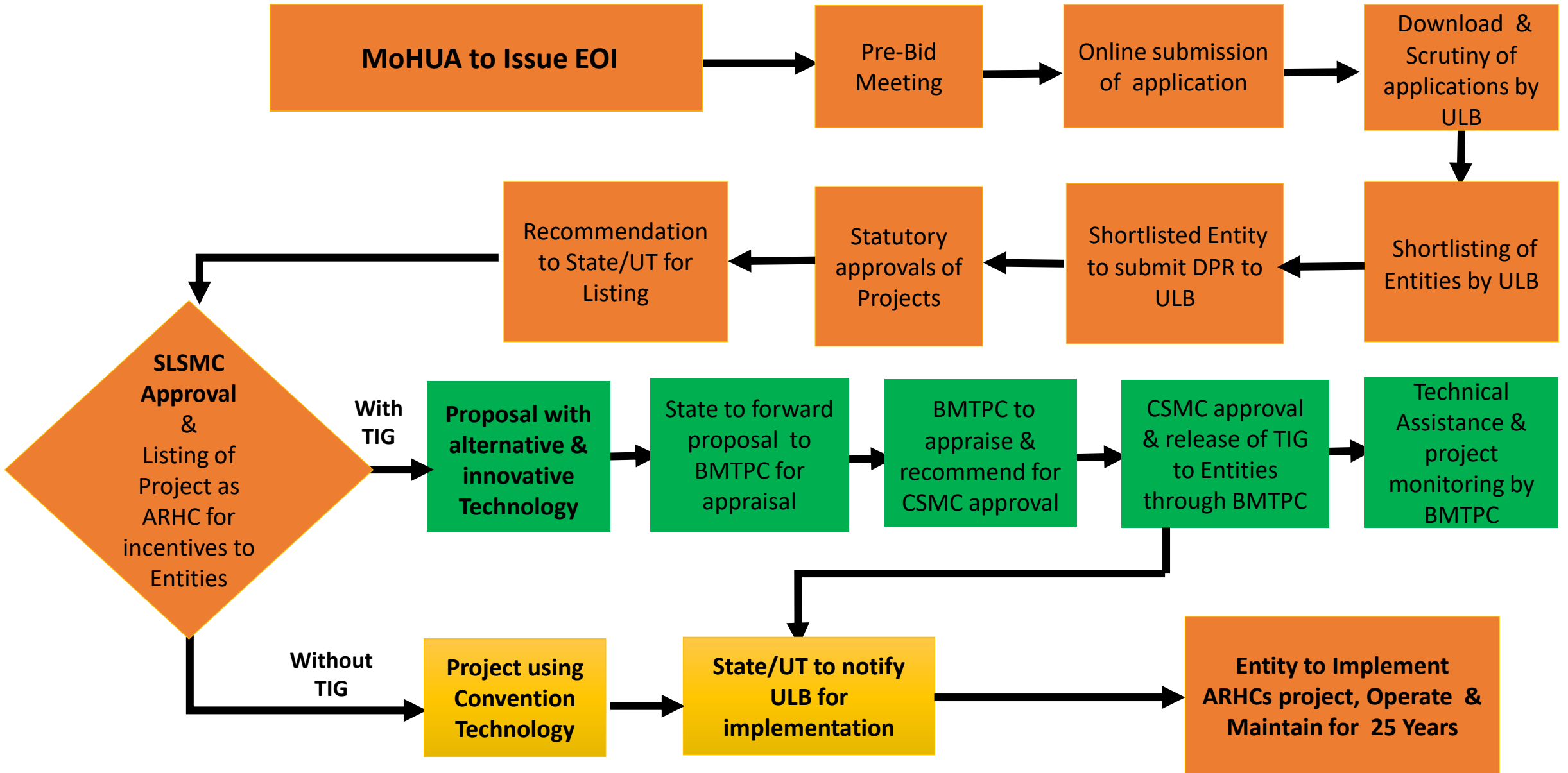
RFP Process Flow (Model-1)



Process Flow- Model-2



Eoi Process Flow (Model-2)



Role of MoHUA

- ❑ Preparation of **model RFP** and circulate to States/UTs for further suitable customization selection of Concessionaire by ULB for Repair/Retrofit, Develop, Operate and Transfer (RDOT) ARHCs.
- ❑ 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

- ❑ **Estimation of investment** requirement to make existing Government funded vacant houses livable for converting them as ARHCs
- ❑ **Selection** based on bidder **offering maximum positive premium** to ULBs or bidder requiring lowest negative premium
- ❑ **Participate in the bidding process** for selection of Concessionaire by ULBs
- ❑ **Repair/retrofit/develop** the vacant houses along with infrastructure (gap filling) to make it **livable**
- ❑ **Tie-up** with local factories/institutions/associations for **in-block allotment** for sustained occupancy and revenue
- ❑ **Sharing of revenue** with ULB as per agreement
- ❑ **Operate & Maintain for 25 years** and hand over after contract period

Role of Private/ Public Developers-Model 2

- ❑ **Identify vacant land** parcel for construction of ARHCs
- ❑ **Construct, operate and maintain** ARHCs on own vacant land for **25 years**
- ❑ Single ARHC project to have at least **40 Dwelling Units** (single/double bedroom) or equivalent number of dormitories
- ❑ Project may consist of a **mix of DUs** (30/60 sqm) **and dormitories** (10 sqm) as per local requirement
- ❑ **A maximum of 33%** houses with double room permissible in a project
- ❑ **Tie-up** with local factories/institutions/associations for **in-block allotment** for sustained occupancy and revenue

Role of Private/ Public Developers-Model 2

- ❑ **Upload application** in response to Expression of Interest (EoI) on ARHC website: arhc.mhua.gov.in to be **shortlisted** by respective ULBs
- ❑ After shortlisting **submit DPR** to ULB and upload a copy on ARHC website
- ❑ Seek all **statutory approvals** of the project (including Use permission/additional FAR), if required
- ❑ Fix initial **affordable rent** in consultation with ULB to be increased biannually by 8%
- ❑ Permissible **commercial built up space** may be sold

Expectations from States/UTs

- ❑ Signing of **MoA** with MoHUA (25 States/UTs already signed)
- ❑ Designate State Mission Director for PMAY(U) as **nodal officer** for ARHCs
- ❑ Engage a **Procurement Expert** at State/UT level
- ❑ **Consultations/ Dialogue** with:
 - **Concerned Depts., Public Agencies** including State Public Sector Undertakings having available vacant land for ARHCs
 - **State Parastatals,** Municipal Commissioners, District Collectors/Magistrates etc. for their active role in scheme implementation
 - **State Chapters of CREDAI & NAREDCO,** Real Estate Developers/Builders for their active participation

Expectations from States/UTs (Cont.)

- ❑ **Issue necessary directions** for Listing of eligible projects & extending incentives/ benefits to Entities & Concessionaires and as provisioned in the ARHCs
- ❑ **Project inventory & cost estimation** of existing Government funded vacant houses for converting them as ARHCs
- ❑ **Fixation of initial affordable rent** based on local survey, prior to issuance of RFP
- ❑ **Issuance of customized RFP** and selection of Concessionaire
- ❑ **Project Monitoring** through State Level Sanctioning and Monitoring Committee (SLSMC)
- ❑ Sustained and focused **IEC** for outreach and off take of ARHCs

Proposed Incentives/ Benefits

Central Govt.

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

States/UTs/ULBs/Parastatals

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

Expected Outcomes

- ❑ **Decent living** environment for urban migrant/ poor close to their workplaces at affordable rates
- ❑ Sustained supply of **workforce** and increased productivity for Industries
- ❑ **Opportunity** to convert existing Government funded vacant houses into ARHCs for **economically productive use**
- ❑ Private/Public Entities can **efficiently utilize their available vacant land** for developing ARHCs
- ❑ Propel new **investment** opportunities and promote **entrepreneurship** in rental housing sector.
- ❑ Strengthening of **Municipal Finances** at ULB level
- ❑ Prevent the further proliferation of **slums**



Thanks

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