

Scheme for Affordable Urban Housing in Odisha, 2012



Housing and Urban Development Department,
Government of Odisha

GOVERNMENT OF ODISHA
HOUSING AND URBAN DEVELOPMENT DEPARTMENT

NOTIFICATION No.HUD-HU-POLICY-XH-82-2012

Bhubaneswar, Dated 31 August, 2012

With a view to addressing the issue of poor availability of affordable housing in urban areas, especially for the economically weaker section and lower income group, the State Government considers it necessary to create an appropriate policy framework that addresses both demand-side and supply-side factors and facilitates the creation of adequate stock of affordable urban housing for Economically Weaker Section, Lower Income Group, Lower Middle Income Group and Middle Income Group, for both ownership and rental purposes, and accordingly hereby notifies the “Scheme for Affordable Urban Housing in Odisha, 2012. The scheme shall come into operation with immediate effect.

By order of Governor,

A handwritten signature in blue ink, followed by the date '31/08/12' written in blue ink.

Injeti Srinivas
Principal Secretary to Government

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Abbreviations

BDA- Bhubaneswar Development Authority
BPL- Below Poverty Line
BSUP-Basic Services to Urban Poor
CLIA- City Level Implementation authority
CLTC- City Level Technical Cell
DA- Development Authority
EWS- Economically Weaker section
FAR- Floor Area Ratio
FSI - Floor Space Index
GoO- Government of Odisha
H&UD- Housing and Urban Development
HUDCO- Housing and Urban Development Corporation
IHSDP- Integrated Housing and Slum Development programme
ISHUP - Interest Subsidy Scheme for Housing the Urban Poor
JnNURM- Jawaharlal Nehru National Urban Renewal Mission
LIG- Low Income Group
MIG- Middle Income Group
MoHUPA- Ministry of Housing and Urban Poverty Alleviation
NBO- National Building Organization
NGO- Non-Governmental Organization
NHB- National Housing Bank
NUHHP- National Urban Housing and Habitat Policy
O& M- Operation and Maintenance
OSHB- Odisha State Housing Board
PIU- Project Implementation Unit
PMU- Project Management Unit
PPP- Public Private Partnership
RAY- Rajiv Awas Yojana
RIT- Regional Improvement Trust
SLNA- state Level Nodal Agency
SPA- Special Planning Authorities
TDR- Transferable Development Right
ULB- Urban Local Body
USHA- Urban Statistics and HR Assessment
WHSHG- Women Housing Self-Help Group

Chapter-I

1.1 INTRODUCTION

Shelter is a fundamental human need. But unfortunately, one-fifth of the world's population lives in slums. With rapid urbanisation, large-scale migration takes place from rural to urban areas in search of livelihood opportunities; and in the absence of inclusive urban planning, it creates shortage of housing, water, sanitation, health, education, social security and livelihood, leading to extremely poor living conditions for urban poor.

The economically weaker section (EWS), lower income group (LIG), lower middle income group (LMIG) and middle income group (MIG) make vital contributions to the growth of a city; hence, an inclusive city is essential to ensure healthy urbanization. The rising land and construction costs have made affordable housing a far cry for the EWS, LIG, LMIG and MIG households in the urban areas; and their requirements can only be met if the state (through appropriate policy instruments and supporting legal framework), municipal bodies (through proactive partnership and support), development authorities and the state housing board (through obligatory provisions in development control regulations, proper spatial planning and affordable housing schemes), housing finance institutions (through adequate lending to both developers and end-use borrowers at affordable lending rates) and private developers (through focus on affordable housing sector) join hands to make it possible.

Housing is generally the single largest expenditure of low and middle income group households. It is also the prime asset for these families. Therefore, given the high land and construction costs, it is necessary to review the urban planning process in general and housing strategies in particular to make the urban growth process inclusive.

1.2 AFFORDABLE URBAN HOUSING

In developed countries, housing cost normally does not exceed 30% of a household's gross income whereas in India an average household spend on housing is around 40% to 50% for the urban poor, which is very much on the higher side, especially considering the relatively low and unstable income of EWS and LIG households. Since income is the primary factor determining affordability, government policy on affordable housing must mainly focus on the price, unit size and availability of such housing stock.

Affordability has to be defined not only in terms of the purchase price of a house but should also include other charges such as stamp duty, holding tax, etc., thereby

providing for an integrated view on affordability. In order to make the urban development process inclusive and transfer the ownership to all sections of people, the focus has to be on providing affordable housing to EWS, particularly the slum dwellers, LIG households, and LMIG households.

The Deepak Parekh Committee defines EWS and LIG households as those households earning a monthly income ranging between Rs 8,000 to 14,000; and MIG households as those households earning a monthly income exceeding Rs 14,000 and upto 20,000. RBI (2010) defines EWS as monthly income upto Rs 5,000; and LIG as monthly income between Rs 5,001-10,000, which has also been adopted by the Ministry of Housing and Urban Poverty Alleviation (based on 2008 prices).

Based on the definitions of RBI and MoHUPA and factoring for increase in consumer price index of nearly 50% between 2008 and 2012, the Government of Odisha adopts the following **income parameters** for the purpose of this scheme:-

EWS: upto Rs 7500 per month

LIG: between Rs 7501-15000

LMIG: between Rs 15001-20000

MIG: between Rs 20001-25000

The borrowing capacity for EWS is expected to be around 3.5 times the annual income, which comes to around Rs 3.15 lakh; for LIG it is expected to be around 4 times the annual income, which comes between Rs 3.6 lakh to 7.6 lakh; for LMIG it is expected to be around 4 times the annual income, which comes to between Rs 7.6 lakh to Rs 9.6 lakh; and for MIG it is expected to be around 5 times the annual income, which comes to around Rs 12-15 lakh.

Based on the above assumptions, the EMI that an EWS household would have to bear for a loan of Rs 3 lakh with a 15 year tenure at 12% reducing balance interest rate comes to around 3,600 per month, which becomes unaffordable, as it comes to around 50% of the monthly income; therefore taking the maximum affordable EMI of Rs 2500, the borrowing limit for an EWS household comes to around Rs 2 lakh, which may be highly insufficient for purchase of an EWS dwelling unit in an urban area. However, if this is linked to ISHUP, under which the maximum loan amount is likely to be raised from Rs 1 to 5 lakh with 5% interest subsidy, and the income eligibility is expected to be raised to Rs 7500 per month (Rs 5000), the borrowing capacity of an EWS household may go up to around Rs 3 lakh; and assuming the EWS household would be able to contribute upfront around 20% as borrower's contribution, it would

be able to buy an EWS dwelling unit costing around Rs 3.6 lakh. Similarly, assuming that LIG households would also be eligible for ISHUP, the Affordable Housing Scheme has to focus on housing units ranging between Rs 3 to 8 lakh for EWS and LIG; Rs 10 lakh for LMIG and Rs 15 lakh for MIG.

As per a study done by CRISIL, the cost of urban housing in Odisha is amongst the highest amongst comparable cities in the country. This mainly due to the high land cost in cities like Bhubaneswar, Cuttack, Berhampur, etc. As per the study, the land cost per square feet in Bhubaneswar varies between Rs330 to Rs650 in the periphery and Rs 550 to Rs1300 in the centre (at an FAR of 1.8), which implies that the land cost in Bhubaneswar for residential purpose varies between 2.4 crore to over Rs 9 crore in Bhubaneswar and is marginally lower in Cuttack. At these rates affordable housing becomes difficult, as may be seen from the per sq. ft cost in Bhubaneswar, which varies between Rs 1800 to 2200. Though OSHB provides at the Rs per sq. ft rate of around Rs 1300 due to low land cost advantage and not-for-profit operations, its capacity to produce sufficient housing stock at these rates is very low. Hence, unless land is made available to private developers at a reasonable cost (say government bench mark price), apart from providing them with access to concessional financing and other incentives such as higher FAR/FSI/TDR benefits, tax benefits and single-window time-bound clearances it would difficult to generate affordable housing in the required scale.

Assuming that with these measures the per sq. ft cost of built-up area can be brought down to a maximum limit of Rs 1,000 to 1400 per sq. ft., including internal land development costs, the following unit sizes are adopted under the Scheme:

Criterion	EWS	LIG	LMIG	MIG
Carpet area in m ²	25	40	60	80
Super-built-up/ saleable area	32.5	52	78	104
Maximum Sale price @ Rs 1,000/sq. ft. or Rs 10760/sq. mtr. for EWS and LIG; @ Rs 1250/ sq. ft or Rs 13450/ sq. mtr for LMIG; and Rs 1400/sq. ft. or Rs 15064/ sq. mtr. for MIG	3.25	5.20	10.49	15.67
Monthly income	7500	10000 (average)	20000	25000
Annual Income	90000	120000	240000	300000

Criterion	EWS	LIG	LMIG	MIG
Maximum Loan	300000	450000	1000000	1500000
EMI*	2700	4000	NA	NA

The unit costs stated above represent the maximum limits prescribed under the scheme, and the actual cost may vary from city to city and even with each city depending upon the locality. In addition to the above, the scheme also encourages ULBs to promote council housing for EWS and LIG at affordable monthly rent ranging from Rs1250 to 1750, including maintenance charges.

The Urban Affordable Housing Scheme of Government of Odisha is intended at creating an enabling policy environment, which makes it possible to promote affordable housing in a big way with a special focus on housing for the urban poor in line with the Slum Rehabilitation and Development Policy of Odisha.

* Assuming ISHUP subsidy eligible loan amount is raised to Rs 5 lakh with 5% subsidy; and eligibility monthly income is also raised to Rs 7500

Chapter-II

Initiatives for Affordable Housing in India

2.1 NATIONAL URBAN HOUSING AND HABITAT POLICY (NUHHP) 2007

Since housing is a state subject the NUHHP is essentially advisory in nature. Setting the goal of affordable housing for all, the NUHHP adopts a two-pronged policy. For the MIG and higher income group (HIG) the suggestions include, among others, fiscal incentives; development of innovative financial instruments like mortgage based securities to increase flow of finance to the housing market; reform of Rent Control Act; rationalization of stamp duty; and promotion of rental housing.

For the urban poor, the policy seeks to assist poorest of the poor who cannot afford to pay the entire price of a house, by providing them with access to subsidized housing on rental and ownership basis with suitable cross-subsidization measures and a proactive financial policy, including micro-finance to individuals and self-help groups. It also includes various tax exemptions or concessions.

Other recommended policy instruments include land reservation for the poor, setting up of a National Shelter Fund for providing subsidy support to EWS and LIG housing; spatial and financial incentives for slum rehabilitation schemes, and in-situ slum redevelopment. It is also suggests States and Union Territories to prepare a 10-year Perspective Housing Plan with emphasis on EWS and LIG housing. While most of the suggestions made in NUHHP are worded in general terms and specifics are left to the States and Union Territories to work out, it makes two specific recommendations, namely:

- i. Reservation of 20-25 per cent of developed land earmarked for residential purposes, for EWS and LIG, and relaxation of FAR to facilitate the same; and
- ii. Reform in the Model Rent Act.

2.2 GOVERNMENT INITIATIVES ON AFFORDABLE HOUSING

Based on the NUHHP, the Government of India has adopted a two-pronged policy for providing affordable housing for all. The fiscal incentives and housing sector reforms are mainly targeted towards the middle and higher income groups whose demand for housing is to a large extent met by the market. Housing for urban poor has additional elements of cost subsidization and higher tax exemptions/ concessions.

Special housing programmes for urban poor have been devised from time to time both by the central government and state government. Initially, social housing schemes were devised for EWS, LIG and MIG. Subsequently, programmes have been directed mainly towards the poor only. Government of India has recently come up with two major initiatives. First, under Jawaharlal Nehru National Urban Renewal Mission (JnNURM) there is a component for Basic Services for Urban Poor (BSUP); and non- JnNURM cities are covered by the Integrated Housing and Slum development programme (IHSDP). In addition, another major initiative has been taken up introducing Rajiv Awas Yojana (RAY), which aims at creating slum-free cities. These schemes adopt a holistic approach and focus on local capacity and community development needs in a big way. The limitation which however remains is that they are confined to a few cities and towns in the country. In Odisha, JNNURM is confined to Bhubaneswar and Puri; and RAY is confined to the 6 cities of Bhubaneswar, Cuttack, Berhampur, Rourkela, Sambalpur and Puri.

The schemes for affordable housing introduced in the past include Integrated Subsidized Housing Scheme for Industrial workers and economically weaker sections (1952); Low Income Group Housing Scheme (1956); Slum improvement/Clearance Scheme (initiated in 1956 and discontinued in 1972 at national level); Environmental Improvement of Urban Slums (1972); National Slum Development Program (1996), Scheme for Housing and Shelter Up-gradation (SHASHU) as part of Nehru Rozgar Yojana, introduced in 1989 and discontinued in 1997); the Shelter Up-gradation Scheme under PMIUPEP (Prime Minister's Urban Poverty and Employment Program had even a shorter life span 1996-97); and Night Shelter Scheme (1988-89).

Many of the schemes were to begin with fully funded by Government of India, but were later transferred to state sector. However, due to funding constraints, many states have discontinued these programs. Similarly, the absence of requisite skills/capacities at the local level has been another limitation at the ground level.

In the past 5 years or so, there has been renewed thrust on affordable housing. Apart from supply side measures such as tax rebate (for example, Income Tax rebate u/s 81A of the Act) and priority lending status for housing finance to private developers, the Government of India also provides EWS beneficiaries with access to concessional loan under the ISHUP scheme, which is likely to be further liberalized as already stated in the previous chapter. In 2012 Union Budget, low-cost mass housing upto an area of 60 sq. mtrs. per unit which are included in the Scheme of Affordable Housing in Partnership are exempted from service tax.

Many state governments are also offering a range of benefits to promote affordable housing, which include time-bound single-window clearances, land reservation, liberal development control regulations for EWS and LIG housing, additional FAR/ FSI, TDR, stamp duty exemption or concession, exemption from land use conversion charges or application of a concessional rate, etc.

Government of Odisha aims at creating an attractive enabling environment by addressing both supply-side and demand-side aspects of affordable housing under this scheme, particularly for EWS and LIG households, in a time bound manner in convergence with various ongoing schemes for affordable housing. It specifically aims at dovetailing with similar schemes/programmes of Government of India, including those funded under bilateral and multilateral assistance programmes.

Chapter-III

3. Objectives and Strategies for creation of Affordable Housing for Urban Poor

Creation of affordable housing cannot be left entirely to the market, nor should it be totally dependent upon government or government agencies; ideally a hybrid of the two coupled with appropriate subsidization models is required for maturing affordable housing a reality. Without committed government institutions to support affordable housing, especially for urban poor, private developers by themselves are unlikely to participate in it in the required scale. Considering the magnitude of the housing problem for urban poor, the government is therefore required to initiate massive housing programmes for EWS and LIG to begin with, and the public agencies responsible for affordable housing have to play an important role in achieving this objective. At the same time, private developers also need to be encouraged through appropriate incentives.

3.1 OBJECTIVES OF THE SCHEME:

- i. To address shortage of EWS, LIG, LMIG and MIG housing in a time bound manner;
- ii. To prescribe unit cost and size of EWS and LIG housing under the scheme; also for LMIG and MIG;
- iii. To promote affordable housing through multiple cost reduction measures such as, making available land at reasonable cost, cross-subsidization through higher FAR and TDR, concessional land conversion charges, Stamp Duty exemption or reduction, liberal land-use norms, promotion of low-cost housing technologies, etc;
- iv. To provide linkage with slum redevelopment and rehabilitation wherever possible;
- v. To create affordable rental housing for migrant workers and other urban poor;
- vi. To create database of EWS and LIG beneficiaries, particularly slum dwellers, using national population census database and socio-economic and caste survey results; and to issue identity cards containing bio-metric data to the beneficiaries;
- vii. To take up an intensive drive to make Odisha slum-free in a time-bound manner by dovetailing with Government of India schemes such as RAY which

are aimed at making cities slum-free, and other bilateral/multilateral assistance programmes.

3.2 STRATEGIES OF THE SCHEME:

The following strategies shall be adopted for providing housing:

- i. To mandate Odisha State Housing Board (OSHB) to act as the State Level Nodal Agency for the implementation of this scheme, with presence in all districts/ ULBs;
- ii. Minimum 20% of developed land earmarked for residential purposes in the city development plan/ master plan/ zonal development plan shall be reserved for EWS, LIG and LMIG housing;
- iii. Prescription of liberal building regulations for EWS and LIG housing (individual and group housing) in terms of FAR, ground coverage, set back, approach road, etc.
- iv. OSHB, Development Authorities (DAs), Regional Improvement Trusts (RITs), Special Planning Authorities (SPAs) and Urban Local Bodies (ULBs) to earmark at least 30 percent of developed land earmarked for residential purposes under their possession for EWS and LIG housing in all their apartment grouping housing projects;
- v. Private developers also shall be subject to mandatory reservation of 15 percent FAR for EWS and LIG housing in respect of plots exceeding 2000 sq. mtrs;
- vi. The subsidized housing facility for EWS and LIG at subsidized cost shall only be available to eligible EWS/ LIG applicants (including spouse and dependents) who do not possess land or house in any city/town in the country. All eligible beneficiaries shall have to file an affidavit to that effect before their names are listed for the purpose of EWS/ LIG housing. At any point of time if the declaration in the affidavit is found wrong, the allotment shall be cancelled forthwith and the beneficiary shall be liable for both eviction and penalty under the provisions of Orissa Public Premises Eviction Act, 1972.
- vii. Director (Housing) shall be the nodal authority to draw up the eligibility list of EWS and LIG housing beneficiaries from applications received on first-cum-first-served basis subject to cross verification with the national population census database and socio-economic and caste survey 2012 results; the LMIG

and MIG beneficiaries shall be selected on the basis of open lottery among eligible applicants, under the direct supervision of Director (Housing). The method of disposal of HIG units and commercial spaces shall be left to the choice of the developers.

- viii. Construction of EWS and LIG dwelling units may also be awarded to not-for-profit organizations and certain leading NGOs working in this field on nomination basis, following a transparent procedure;
- ix. Usage of local building materials based on agricultural and industrial waste, particularly those based on fly ash, red mud, hollow bricks and allied local materials shall be encouraged through appropriate incentives. Modern mass construction technologies also shall be encouraged.
- x. The private developers shall be encouraged to build EWS housing by granting zoning-related incentives such as land use conversion, extra FAR, etc.
- xi. Public-private partnership for creation of EWS housing shall be encouraged.
- xii. The scheme may be dovetailed with relevant Government of India Schemes such as ISHUP, BSUP, IHSDP, RAY, Affordable Housing in Partnership Scheme, etc.
- xiii. The selection of beneficiaries under RAY and similar schemes shall be done by the Director (Housing) in accordance with the provisions of the scheme.
- xiv. Similarly the scheme may also be dovetailed with externally aided projects aimed at affordable housing.

Chapter-IV

4. MODELS OF AFFORDABLE HOUSING IN URBAN AREAS

It is incumbent upon the public and private sector in Odisha to work together to provide sufficient stock of affordable urban housing in the state. The Housing and Urban Development Department, ULBs, OSHB, DAs, RITs, SPAs, financial institutions, private developers, and NGOs working in affordable housing have to work in tandem for successful realisation of the above mentioned objective.

4.2. With a view to providing access to affordable urban housing, especially for urban poor, the scheme adopts the following affordable housing models:-

4.1 MODEL 1 (MANDATORY PROVISIONS)

i) Odisha State Housing Board (OSHB)

- a) All OSHB Housing schemes shall earmark at least 60% of the total built-up area for EWS, LIG, LMIG and MIG housing @ 15% each of the total built-up area in all its housing schemes, and shall in return be entitled to get government land at the applicable benchmark price or at a further concessional rate as may be decided by the government on a case to case basis;
- b) In case OSHB is unable to maintain the abovementioned ratio in any of its housing scheme due to specific reasons, they may adjust the same in another/ other scheme(s) of OSHB subject to prior approval of government;
- c) OSHB shall be eligible to receive viability gap funding under central/ state schemes wherever such assistance is available and found necessary;
- d) The EWS dwelling units shall be constructed on Ground+3 or Ground+4 or Stilt+3or Stilt+4 pattern(without lift facility) with the stilt portion not counted toward FAR;
- e) The remaining built-up area may be utilised for MIG, HIG housing, and upto 10% for commercial purposes;
- f) Government shall give annual targets to OSHB for undertaking EWS , LIG, LMIG, and MIG Housing;

- g) External Development as specified in Chapter V shall be the responsibility of the ULB concerned;
- h) Internal development as specified in Chapter V shall be the responsibility of OSHB;
- i) The unit size and ceiling unit cost of EWS/LIG/LMIG/MIG dwelling units shall be as prescribed by the Government in Chapter VI and as may be revised from time to time, but OSHB would be free to decide unit size(s) and cost(s) for HIG houses, and for commercial space;
- j) OSHB shall allot the EWS and LIG dwelling units as per the beneficiary list prepared by the Director (Housing) based on applications received from eligible beneficiaries on a first-cum-first served basis subject to verification with the national population census records and socio-economic and caste survey 2012 results and the LMIG and MIG through open transparent lottery system subject to eligibility criteria;
- k) The ULB shall also be entitled to purchase EWS and LIG units from OSHB at the predetermined price for using them as rental housing;
- l) the EWS beneficiary will be subject to minimum 20% beneficiary's contribution and a 20-year lock-in period;
- m) OSHB may enter into PPP arrangement for the creation of the housing stock;
- n) OSHB shall be entitled to receive additional FAR equivalent to the FAR utilised for EWS and LIG housing subject to a ceiling of 50% of normal permissible FAR whichever is lower, which may be utilised at the same site subject to a ceiling of 3.50 FAR and where there is difficulty in utilising the higher FAR in the same project, it shall be entitled to receive TDR for the unutilised FAR, which may be utilised at a different location again subject to the ceiling 3.50 FAR at a single location, or transferred to another developer through open auction subject to guidelines to be issued by the government in this regard;
- o) **Government land shall be allotted free of cost to OSHB for exclusive EWS and LIG housing schemes;**
- p) **OSHB shall be exempted from land use conversion charges by the competent revenue authority for any affordable housing project;**
- q) **OSHB shall be exempted from stamp duty under this scheme; and**

r) Efforts shall be made to dovetail Government of India schemes and bilateral/ multilateral projects on slum redevelopment and rehabilitation and affordable urban housing.

ii) **ULBs/DAs/RITs/SPAs** implementing apartment/group housing schemes on government land transferred to them for that purpose shall be governed by identical conditions as stated in the case of OSHB in clause 4.2.1 (i) above.

iii) **Private Developers of Apartment/ Groups Housing Projects:**

- a) All apartments/group-housing schemes over a plot size exceeding 2000 sq. mtrs. shall have to compulsorily reserve at least 15% of the total residential built-up area, for EWS and LIG housing (with EWS dwelling units not accounting for less than 50% of the total of such dwelling units) in order to obtain building approval from the competent authority under the applicable building regulations;
- b) EWS housing shall be constructed on Ground+3 or Ground+4 or Stilt+3 or Stilt+4 format (without lift facility);
- c) In order to compensate for the above-mentioned mandatory provision, the private developer shall be entitled to receive additional FAR equivalent to the FAR utilised for EWS and LIG housing subject to a ceiling of 50% of normal FAR;
- d) The Director (Housing) shall prepare the list of beneficiaries received from eligible beneficiaries on a first-cum-first served basis subject to verification with the national population census records and socio-economic and caste survey 2012 results;
- e) The unit size and ceiling unit cost shall be as prescribed by the Government in chapter VI and as may be revised from time to time.
- f) The beneficiary shall be subject to 20% beneficiary's contribution, and a 20-year lock-in period;
- g) The ULB shall facilitate the beneficiary to receive loan under ISHUP scheme.
- h) In the event of any problem in accommodating EWS and LIG dwelling units in the project in question, the private developer may be allowed to provide the same requirement of EWS and LIG housing at another location not beyond 5 km of the project, but such option shall not be available to projects occupying beyond 2 acres of land;

- i) In the event of any difficulty in providing the requirement of EWS housing at a separate location also, the private developer shall be allowed to contribute to the Urban Poor Shelter Fund to be set up for this purpose by the Government @ rate notified by the Government from time to time. However, this option shall not be available to projects exceeding 2 acres of land;

4.2 MODEL 2 (VOLUNTARY DEVELOPMENT ON PRIVATE LAND)

- a) Any private developer desirous of building EWS and LIG dwelling units beyond the mandatory provision of 15% of built-up area can participate under this model provided (i) he reserves at least 60% of the built-up area @ 15% each for EWS, LIG, LMIG and MIG housing; (ii) follows the ceiling costs and unit sizes norms prescribed under this scheme; and (iii) provides minimum 5 acres of land for the affordable housing project proposed to be taken up under the scheme;
- b) The balance FAR may be utilised for HIG houses and for commercial purposes with the commercial usage restricted to 10% of the total FAR unless the approved land use allows higher usage.
- c) EWS and LIG flats should be in Ground+3 or Ground+4 or Stilt+3or Stilt+4 format(without lift facility) with stilt portion not counted toward FAR;
- d) for non-EWS portion there shall be no height restriction except for the minimum clearance/ set back prescribed in the building regulations;
- e) The ULB concerned will be responsible for external development as specified in Chapter V;
- f) The private developer shall be responsible for all internal development as specified in Chapter V;
- g) The private developer shall allot the EWS and LIG dwelling units as per the beneficiary list prepared by the Director (Housing) based on applications received from eligible beneficiaries on a first-cum-first served basis subject to verification with the national population census records and socio-economic and caste survey 2012 results. LMIG and MIG dwelling units shall be allotted by the private developers to eligible beneficiaries through open collecting system under the direct supervision of the Director (Housing).

- h) The beneficiary will be subject to a minimum 20% beneficiary's contribution and a 20-year lock-in period;
- i) The unit sizes and costs of the EWS, LIG, LMIG and MIG flats shall be as prescribed by the Government in Chapter VI and as may be revised from time to time;
- j) The private developer shall be entitled to receive additional FAR equivalent to the FAR utilised for EWS and LIG housing subject to a ceiling of 50% of permissible FAR whichever is lower, which may be utilised at the same site subject to a ceiling of 3.5 FAR and where there is difficulty in utilising the higher FAR in the same project, it shall be entitled to receive TDR for the unutilised FAR which may be utilised at a different location again subject to the limitation of not more than 3.5 FAR at a single location, or transferred subject to guidelines to be issued by the government in this regard.
- k) The private developer shall be selected through a competitive bidding process as detailed in Chapter-V. The bid would specify the number of EWS, LIG, LMIG and MIG required at a particular location along with specifications including buyback price or predetermined price under the scheme. The bidder seeking the lowest viability gap funding on the EWS and LIG component only shall be selected. The VGF shall be limited to 20% of the project cost in respect of EWS and LIG component or a ceiling of Rs.75,000 on EWS and Rs.1,00,000 on LIG dwelling unit, whichever is lower.
- l) Incentives for developers enumerated at chapter VI shall be available.

4.3 MODEL 3 (PRIVATE DEVELOPER ON GOVERNMENT LAND/ULB LAND)

- (a) Government land may be identified for allotment to private developer for construction of EWS and LIG housing;
- (b) The selection of the private developer shall be through open competitive bidding criteria as detailed in Chapter- V.
- (c) Government land shall be allotted to the selected private developer at benchmark price for construction of EWS and LIG dwelling units;
- (d) A minimum of 50% of the built-up area shall be utilized for EWS and LIG housing, which should not account for not less than 75% of the dwelling units;

- (e) The bid document would specify the number of EWS and LIG dwelling units along with specifications excluding the buyback price;
- (f) The bidder who provides the lowest buyback price subject to not exceeding the predetermined price will be selected.
- (g) The viability gap grant shall be limited to 20% of the project cost or a ceiling of Rs 75,000 per EWS dwelling unit and Rs 100,000 per LIG dwelling unit, whichever is lower. The viability gap funding will be considered under the Odisha Urban Infrastructure Development Fund, or any other scheme in vogue, of state/central government scheme for viability gap funding.
- (h) The bid variable will be the minimum buyback price for the requisite number of EWS and LIG dwelling units.
- (i) The developer shall hand over the dwelling units to the ULB or any other agency specified for this purpose by the government on payment basis at the predetermined price;
- (j) **The Director (Housing)** shall prepare a scheme for allotment of the EWS and LIG dwelling units to eligible EWS and LIG beneficiaries who are entitled to dwelling space; EWS eligibility list shall be drawn up as per the Odisha Slum Rehabilitation and Development Policy;
- (k) **The Director (Housing)** shall allot the EWS units to eligible beneficiaries on payment of 20% of the unit cost (beneficiary's share) and the balance shall be tied up with central and /or state subsidy under slum redevelopment and rehabilitation schemes and loan under ISHUP;
- (l) The beneficiary shall be subject to a 20-year lock-in period;
- (m) The internal development as specified in Chapter V shall be the responsibility of the private developer;
- (n) The private developer shall be entitled to receive additional FAR equivalent to the built-up area utilised for EWS and LIG housing subject to a cap of 50% of normal FAR, which may be utilised at the same site subject to a ceiling of 3.50 FAR and where there is difficulty in utilising the higher FAR in the same project, it shall be entitled to receive TDR for the unutilised FAR which may be utilised at a different location again subject to the limitation of not more than 3.50 FAR at a single location, or transferred subject to guidelines to be issued by the government in this regard;

- (o) After meeting the EWS and LIG housing requirement, the developer shall be free to use the balance FAR in any manner desired subject to the building regulations;
- (p) Upto 10% use of FAR, including additional FAR, for commercial purposes shall be allowed; and
- (q) Benefits for private developers as enunciated in chapter VI shall be available.

4.4 CONVERGENCE:

The on-going schemes such as Basic Services for Urban Poor (BSUP), the Integrated Housing and Slum Development Programme (IHSDP) and Rajiv Awas Yojana (RAY) shall be implemented as part of this overall scheme, and the targets assigned under these scheme shall form part of the overall target of 1,00,000 affordable dwelling units over a period of 10 years envisaged under this framework.

Chapter-V

5. ELIGIBILITY CRITERIA AND SELECTION OF PRIVATE DEVELOPERS

5.1 Eligibility for Private Developers

Any developer fulfilling the following criteria shall be eligible to apply under model 2 and3:

- (i) Has experience in building construction works for at least five years.
- (ii) Total net worth (Reserve & Capital) of last three years (of the company or its sister concern(s) or consortium) should be equivalent to at least 40% of the project cost (excluding land cost).
- (iii) For applying under mode Ino.2, the developer should hold at least 5.0 acres of land.
- (iv) Joint venture or Special Purpose Vehicle by private developers will also be eligible under the Policy.

5.2 Internal and External Development

- (i) External development will include water, sanitation, street lighting, and road connectivity.
- (ii) Internal development will include internal roads, water supply network and reservoir, internal street lighting, drainage and sewerage lines, sewerage treatment plant, besides community hall and open spaces.

5.3 Eligibility for Beneficiaries/Applicants

- (i) The income eligibility criteria laid under the scheme is as follows:-

EWS: upto Rs 7,500 per month

LIG: between Rs 7,501-15,000

LMIG: between Rs 15,001-20,000

MIG: between Rs 20,001-25,000

- (ii) Income to be certified by Tehsildar/Municipal Officers or any State official authorized in this regard by the State Government.
- (iv) 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 in the country. An affidavit certified by the Notary Public shall be submitted to this effect.
- (iv) The flat allotted to him must be occupied within one year of taking over the

possession of the same.

(v) The applicant must be a bonafide resident of the state of Odisha. At the time of application, an affidavit to that effect may be submitted by the applicant. However at the time of allotment, the applicant will have to submit bonafide certificate issued by the competent authority, otherwise the allotment may be liable to be cancelled.

(vi) Every occupant will have to become member of society, which will maintain common services and regular up keep of housing property. An undertaking form to that effect will have to be signed by incumbent before possession is handed over to him.

5.4 Approval of Project

i. For the purpose of monitoring the construction of the houses as per the guidelines, OSHB, shall work as State Level Nodal Agency. The houses shall be constructed by the developers in coordination with the OSHB and concerned ULB/DA/RIT/SPA as per the guidelines issued from time to time by the Government.

ii. A State Level Sanctioning & Monitoring Committee consisting of the following would be constituted to approve the projects and to ensure time bound completion of the sanctioned projects:-

- | | | |
|------|------------------------------------|--------------------|
| i. | Secretary, H&UD | - Chairman |
| ii. | Director, Housing | - Member |
| iii. | Vice Chairmen, BDA and CDA | - Members |
| iv. | Director, Town Planning, Odisha | - Member |
| v. | Director, Municipal Administration | - Member |
| vi. | Concerned Dy. Secretary | - Member |
| vii. | Commissioner-cum-Secretary, OSHB. | - Member Secretary |

The above Committee shall be authorized to take all decisions in conformity with the Policy and to amend/modify the guidelines issued under the Policy according to the requirement of the specific project. Proposals shall be put up to the State Level Committee by the Project Appraisal Committee of DA/RIT/SPA/ULBs.

iii. After scrutinizing the proposals received from the private developers, these shall be placed before State Level Sanctioning and Monitoring Committee for approval

iv. The Government based on recommendation of State level Sanctioning & Monitoring Committee would consider issuing an in-principle approval for

commencement of the project.

- v. The developer shall, within 30 days from the date of in-principle approval given by the Government, submit an application to the concerned local authority for conversion of agriculture land under section 8-A of Orissa Land reforms Act 1960 and for change inland use wherever required.
- vi. If the land in question is coming within the jurisdiction of urban planning area, the Local municipal authority or development authority, as the case may be, would be authorized to issue all such approvals including change in land use, layout plan and building plan in accordance with the prevailing rules / regulations; in other cases the competent revenue authority shall grant the permission of land conversion and land use.
- vii. After the above approvals, the developer shall submit building plans of scheme for approval to concerned ULB/DA/RIT/SPA. The concerned ULB/DA/RIT should approve the building plans within 60 days of this submission. In case no decision is taken within the specified time-frame, the approval shall be deemed to have been given and the developers may start construction work after expiry 60 days of the submission of the maps as per prescribed building parameters.
- viii. In case of any deficiency in the application, the authority should intimate the private developer within 1 month for necessary compliance. The permission will be issued within 1 month from the date of receipt of compliances from the developer. If the authority has not intimated within above specified time, the application for building approval is deemed to be approved after lapse of 60 days of submission.
- ix. Since the projects of the private developer would have in-principle approval of the Government, all the sanctions of land use change and approval of layout plan/maps shall be issued by the concerned competent authority within a period of 60 days by adopting summary proceedings.
- x. The Project Approval Committee constituted under the Chairmanship of the senior most officer of the local authority, may on the basis of land use change, lay out plan approval and detailed project report (both administrative and technical) submitted by the developer and the proposed work plan and cash flow, approve the scheme submitted by the private developer.
- xi. It shall be compulsory for the private developer to establish quality control laboratory at the site of the project so that the quality of the work may be maintained.

- xii. The general specifications and amenities to be provided by the developer shall be prescribed by the Government.
- xiii. Third party Quality inspection to be ensured by OSHB /ULBs.
- xiv. If the developer leaves the work incomplete, OSHB may get the work completed at the risk and cost of the developer.
- xv. It shall be compulsory for the developer to submit at the time of submission of the scheme an affidavit to this effect on a stamp paper of Rs. 10/-
- xvi. Developer may raise loan from banks for construction of EWS, LIG, LMIG and MIG flats or may finance the same out of his own resources.
- xvii. Keeping in view the interest of the economically weaker sections, the concerned ULB shall ensure that external development works for the scheme are carried out within 12 to 18 months.
- xviii. The developer shall construct the houses according to the approved type design and building specifications and in accordance with the norms fixed under the applicable building regulations.
- xix. After completion of the project, the developer shall submit to the OSHB two sets of 'As built Drawing' of the whole project and shall simultaneously make declaration regarding completion of the project and inform the OSHB about the same.
- xx. OSHB/ULBs/developers should follow the chart of activities as specified in the chapter No. 10
- xxi. Amenities & construction specifications to be provided in housing area shall be as specified by the Government.
- xxii. Role of State Government, Odisha State Housing Board, Development authorities, Regional improvement Trusts, Urban Local Bodies and Developer shall be as enumerated in Chapter-10.

5.5 PHASING & COVERAGE OF THE SCHEME

In the first phase, the affordable housing programme will cover the existing 6 RAY cities (i.e., Bhubaneswar, Cuttack, Puri, Berhampur, Sambalpur, and Rourkela) and Jharsuguda, Jajpur, Kalinganagar, Anugul, Balasore and Paradeep. Based on the experience in implementing the programme in the 1st phase, it would be rolled out to all the ULBs in the state. However, the other ULBs are free to implement the programme, after obtaining approval from the state government.

5.6 SUPPORT FROM GOVERNMENT OF INDIA Nodal agency would also ensure that maximum subsidy amount is claimed from Government of India as per the JnNURM and other schemes of Government of India.

Chapter-VI

INCENTIVES TO BENEFICIARIES AND DEVELOPERS

6.1 INCENTIVES TO BENEFICIARIES

LAND COST: CONCESSIONAL (GOVERNMENT BENCHMARK PRICE OR LOWER)

UNIT SIZE AND COST:

Criterion	EWS	LIG	LMIG	MIG
Carpet area in m ²	25	40	60	80
Super-built-up area	32.5	52	78	104
Maximum Sale price @ Rs 1,000/sq. ft. or Rs 10760/sq. mtr. for EWS and LIG; @ Rs 1250/ sq. ft or Rs 13450/ sq. mtr for LMIG; and Rs 1400/sq. ft. or Rs 15064/ sq. mtr. for MIG [†]	3.25	5.20	10.49	15.67

É ISHUP Bank loan to be made available to eligible beneficiaries

- Stamp duty for EWS and LIG flat - Full exemption
- Stamp duty for LMIG - 50% exemption
- Concessional Holding tax to be charged by ULBs for EWS and LIG housing

6.2 INCENTIVES TO DEVELOPER

i. Additional FAR to be allowed

As mentioned in Chapter IV, additional FAR entitlement shall be available for construction of EWS and LIG housing to the extent used for that purpose subject to a ceiling of 50% of normal FAR.

ii. Use of Transferable Development Rights (TDR) as a result of additional FAR

Efforts should be made by developer to consume maximum FAR (including additional FAR) on the same project land. But if he is unable to do so, balance/unutilized FAR will be allowed to him in the form of TDR, under separate guidelines approved by the Government; use of TDR will be allowed only after successful completion of the project. Allowable TDR should normally be in the same sector/area/zone of master plan having more or less equivalent value of land. However, in case this is not

[†]The unit costs stated above represent the maximum limits prescribed under the scheme, and the actual cost may vary from city to city and even with each city depending upon the locality.

feasible TDR will be allowed to be transferred to other areas as per norms to be issued in this regard. TDR certificate issued may be utilized or transferred by the developer.

iii. Facilitate Bank finance as per facilities made available under Government of India schemes.

iv. Allow all facilities made available under the Scheme of Affordable Housing in Partnership.

v. Private Developers shall be eligible for exemption from stamp duty on land assembly provided the EWS and LIG housing component accounts for minimum 50% of FAR and 75% of dwelling units; they shall also be eligible for 50% exemption on land conversion charges wherever applicable.

vi. OSHB, Development Authorities, RITs, SPA and ULB shall be completely exempted from stamp duty and land conversion charges.

vi. Extend all applicable tax benefits.

vii. Single window approvals within the specified time frame.

Chapter-VII

Identification of Beneficiaries and Tenure

7.1 BENEFICIARIES IDENTIFICATION:

1. The EWS beneficiaries will be identified by the ULBs on the basis of National Population Record data base and socio-economic census survey 2012 results. EWS/LIG houses will be allotted in the name of women beneficiaries or jointly in the name of the women beneficiary and a male member of the family.
2. The beneficiary shall be eligible to mortgage the house for availing bank loan, including IHSDP loan.

7.2 TENURE OF BENEFICIARIES

1. There shall be a 20 years lock-in period for transfer EWS and transfer can be made only to an eligible EWS beneficiary.

Chapter-IX

OPERATIONAL MECHANISM

PROGRAMME/PROJECT MANAGEMENT:

8. To operationalize the scheme in a successful manner, there needs to be institutional support at various levels.

- i. The Odisha State Housing Board (OSHB) shall function as the State Level Nodal Agency (SLNA) for the entire programme to handhold, facilitate, manage, monitor and regulate the projects including acquisition of land, mobilization and leveraging of resources from various sources, mobilising cross subsidization on case to case to basis & technical support to the ULBs.
- ii. A Programme Management Unit (PMU) shall be set up and attached to the SLNA. The prime responsibility of the PMU will be to provide technical, managerial and strategic support to the SLNA and ensure effective implementation of the programme at the state level, through periodic reporting on progress of activities and coordinate closely with the SLNA in discharging the roles and responsibilities specified for various experts. PMU will support the SLNA in monitoring the progress of projects sanctioned under the programme. As a part of it, the PMU will coordinate and liaise with GoO, SLNA, ULBs, PIUs (once they are formed at the city level), private co-developers etc. The PMU will also extend technical assistance in terms of appraising the DPRs submitted by the ULBs as per the toolkits prescribed for the purpose. PMU will extend overall strategic support to the activities undertaken as part of the programme including organizing workshops, consultations and round tables. Submission of Quarterly and Annual Work Plan, MPR and QPR to the SLNA will form part of PMU's responsibility.
- iii. The respective Urban Local Body will be the City Level Implementing Agency (CLIA) for the affordable housing programme. It will primarily responsible for, among other things, preparation and submission of DPRs to the SLNA and successful implementation of all affordable housing projects in the city.
- iv. Every city will set-up a smaller Project implementation Unit with professionals like Engineer/Planner/Project Management Specialist depending on the volume of project(s) undertaken. Such PIUs will carry out all such functions, which are accomplished by the Programme Management Unit at the state level. The existing 6 RAY cities can utilize the City Level Technical Cells (CLTCs) for the purpose. Each PIU/PMU will recruit an engineer who will monitor the project independently.

Chapter-X

ROLE AND RESPONSIBILITIES

9.1 GOVERNMENT'S ROLE:

i. Setting up of Project **Monitoring** Committees for Various Towns:

a. For the areas of **Development Authority:**

Vice-Chairman of the DA	Chairman
District Collector or his/her nominee	Member
Secretary of the DA	Member
Member (Engineering)	Member
Member (Planning)	Member Secretary

Note:-As an alternative, the Development Authorities may use their existing Committees also for grant of approvals.

b. For the areas of **Regional Improvement Trusts/SPA:**

Chairman RIT/SPA	Chairman
District Collector or his/her nominee	Member
Secretary RIT	Member
Superintending. /Executive Engineer, RIT	Member
Associate/ Asst. Town Planner, RIT	Member Secretary

c. For the area of **Municipal Corporations /Councils**

Mayor/Chairman/President Municipal Corp. Council / NAC	Chairman
Chief Executive Officer Commissioner/ Executive Officer	Member
Nominee of District Collector	Member
Senior most Civil Engineer in the local body, Engineer/ Superintending Engineer/ Executive Engineer/ Assistant Engineer)	Member (Chief
Senior Most Town Planner in the local body, (Associate Town Planner/ Asst. Town Planner concerned in Zonal office)	Member Secretary

In case of non-availability of Town Planner in a ULB any other Officer may be authorized by the ULB to act as the Member Secretary.

- ii. To mandate all OSHB, DAs, UITs and ULBs to earmark a certain percentage of developed land for housing EWS in all housing projects.
- iii. To prescribe the mandatory provision in respect of all private builders to earmark a certain percentage of housing units for EWS and LIG housing.
- iv. Provide land to OSHB, ULBs, DAs, RITs, SPAs and private developers to take-up exclusive EWS and LIG housing projects, and mixed projects including LMIG and

MIG units as well; HIG houses and commercial use to be also permitted as per approved scheme.

- v. Providing incentives to the government agencies, private developers for creation of EWS and LIG housing stocks. The government shall play a vital role in providing incentives by granting zoning-related incentives such as reducing stamp duty, allowing extra FAR.
- vi. Leverage government land for creation of EWS and LIG housing under PPP mode.
- vii. The Government in the H & UD Department shall also play the role of regulator in the entire scheme, starting from the concept stage to completion, as per the conditions specified by the Government.
- viii. The Government shall channelize existing Government of India schemes and may grant further incentives to beneficiaries and developers from time to time.

9.2 ROLE OF OSHB/DAs/UITs/ULBs

- i. To ensure preparation of action plan and programmes to meet the housing shortage and augment supply of land for housing particularly for EWS, LIG and LMIG households during the next 10 years.
- ii. To ensure that minimum 30% of the total developed residential and owned by it is reserved for EWS and LIG housing.
- iii. To cross subsidize the land cost of EWS and LIG houses so as to bring down the cost of these category of houses to affordable limits.
- iv. To establish a single window cell in OSHB/DA/UIT/ULB for approval of building proposals and for public grievances.
- v. To ensure that eligible beneficiaries are chosen to whom the flats/houses are allotted.

9.3 ROLE OF FINANCIAL INSTITUTIONS:

- i. The proactive role of the financial institutions including that of NHB, HUDCO is the key to success of this scheme.
- ii. As the project would require fairly large investments, HUDCO may offer low interest loans with longer repayment regime.
- iii. The loan should be sanctioned in the name of the beneficiary who is selected as per the manner specified above.

9.4 ROLE OF PRIVATE DEVELOPER:

- i.** To comply with the mandatory provision of earmarking 15% of dwelling units for EWS category.
- ii.** Participate in Affordable housing in Partnership scheme.
- iii.** To ensure quality control, safety measures, facilities for workers at the work site.
- iv.** To ensure compliances of all the procedural guidelines issued under this policy.

9.5 ROLE OF THE BENEFICIARY:

- i.** All the identified beneficiaries shall apply to the steering committee in the prescribed formats with required documents as specified.
- ii.** All beneficiaries shall have to repay the home loan as per prescribed EMIs.
- iii.** All eligible beneficiaries have to file an affidavit before their names are listed that neither nor their dependents, including spouse and unmarried children possess any land or house in any city/town in the country.
- iv.** All beneficiaries shall be bound by the 20-year lock-in condition.

Chapter-XI

RENTAL HOUSING

10. There has been a high rate of migration of the poor and EWS households to the cities and towns in search of livelihood. This has led to expansion of the existing slums and creation of new ones. To address this problem, rental housing blocks are required to be constructed and maintained for accommodating the above categories of households.

In pursuance of this programme, the government shall provide the land to ULB for creation of affordable rental housing stock.

10.1 IMPLEMENTATION MECHANISM:

- a. The private developer has to develop the rental housing blocks with proper infrastructure facilities like water supply, electricity, provisions for sewerage and solid waste before handed it to the government.
- b. The government shall provide land at concessional cost (government benchmark price) for this purpose.
- c. The government/ULB shall allot the rental houses to the identified beneficiaries identified through proper survey, for a period not exceeding than 1 year; with duly made agreement with such beneficiary.
- d. Only BPL, EWS and LIG categories will be eligible for staying in the rental houses.
- e. The beneficiary has to pay a rent not exceeding Rs. 1,250/- per month for EWS unit and Rs 2,000 for LIG unit, as decided by the ULB/agency concerned subject to revision from time to time.
- f. The ULB shall be responsible for O & M of the housing blocks.
- g. 25 % of the rent collected shall be utilized towards the maintenance of houses and infrastructure.