



Recommendations On: Guidelines for Public Private Partnership in Housing





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1. INTRODUCTION

Ministry of Housing and Poverty Alleviation, with an aim of realizing the goal of Affordable housing for all, is developing guidelines for 'Public Private Partnership in housing'. The primary objective of these guidelines is to promote development of Public Private Partnerships at the state level, in a transparent and fair manner, providing value for money to all the stakeholders involved. The aim of these guidelines is to provide a partnership policy with a sound framework so as to facilitate state bodies to formulate projects and invite private partnership bids for these projects.

NAREDCO and Knight Frank India Pvt. Ltd. in the strategic report titled "Public Private Partnership in Housing" recommended two alternate models for implementation of Redevelopment / Rehabilitation Projects (Brownfield Model) and new development of unused land (Greenfield Model). The report was followed up by a consultative meeting on Public Private Partnership (PPP) in Housing, organized by FICCI jointly with the Ministry of Housing & Urban Poverty Alleviation, Government of India, with participation of state housing secretaries, state housing boards, development authorities, agencies like HUDCO & NAREDCO and the private sector.

The original models and various suggestions and recommendations made, have been deliberated to formulate the present document, which provides recommendations for Guidelines on Public Private Partnership in Housing.



2. GUIDELINES ON PROJECT OBJECTIVE

2.1 The state bodies shall define the social and the economic objective of the project, prior to a detailed project formulation exercise. They shall also define base levels for these objectives, failing which the project shall be deemed to be not taken up for development.

2.2 In the case of Brown Field and Green field development models these shall be as follows:

Brown Field Model

Primary Social Objective - Providing home ownership to all existing Slum Dwellers in line with their needs. Creation of new low cost housing supply, so as to bridge the gap between existing demand and supply.

Economic Objective - Project structuring so as to enable achievement of economic returns sufficient to generate Private sector interest.

Green Field Model

Primary Social Objective - Creation of new high quality low cost housing supply, at prices with high 'willingness to purchase' and at locations with good infrastructure support and connectivity

Economic Objective - Project structuring so as to enable achievement of economic returns sufficient to generate Private sector interest.

2.3 The bidding approach shall be such, so as to achieve maximization of Primary Social Objective, with the economic objective being market derived.



3. PROJECT SELECTION GUIDELINES

It is understood that not all projects shall be feasible to be taken up through Public Private Partnership route. The state bodies shall be required to carry out a preliminary assessment prior to Project Selection for implementation. Key considerations required to be analyzed and documented shall be as follows

1. Does project have potential to fulfill the identified primary social objective of affordable quality housing infrastructure?
 - a. Suitability of land for housing - Yes / No
 - b. Sufficiency of Development Potential - Yes / No
2. Does the project have sufficient existing and / or planned urban infrastructure to support the population proposed to be inhabited?
 - a. Proposed densities in accordance with the City Development Plan - Yes / No.
 - b. Existing / Planned Road network sufficient to accommodate the additional volumes generated by the proposed development.
 - c. Existing / Planned Water and Sewerage network sufficient to accommodate the additional volumes generated by the proposed development.
 - d. Existing / Planned Power and Communication network sufficient to accommodate the additional volumes generated by the proposed development.

It shall be required to obtain a prior confirmation on these from relevant departments including Town Planning, PWD, Water and Sewerage Boards, Power distribution companies etc.

3. Does the project have acceptance among social and political communities?
4. Is there a reasonably established demand for the entire strata of housing units being created by the project at the location?



5. What is the affordability of potential buyers of housing units? Are there sufficient avenues of funds (self contribution, Bank Credit, Govt. Grants) available to facilitate sale and off-take of these units?
6. Are the planned timelines of the project reasonably achievable taking into consideration the existing execution capabilities, technology used and market demand?



4. BID APPROACH / PHYLOSIPHY

4.1 State bodies should adopt a Project Formulation and award Approach / Philosophy, which satisfies the following:

1. Maximization of Primary Social Objective and re-channelization of economic gains towards the same.
2. Development of uniform social strata addressing the needs of all income levels
3. Minimization of Project Risks.
4. Segregation of achievement of Social objectives from the business risks being taken by the private sector partners.
5. Long term sustainability of the project and the model.
6. Provisions of preventing mechanism to prevent re-occurrence of the problem

4.2 It is recommended to replace an auction approach with a reverse tendering approach, so as to result in maximization of primary project objectives, prior to state bodies obtaining economic benefit from the project. In the case of Brown Field and Green field development models these are as follows:

Brown Field Model

Reverse Tendering Approach - With all other factors of Total Development Potential, Minimum quantum of rehabilitation housing, upper price sealing for MIG Housing, development specifications and timelines frozen, the bids to be decided based on a single bid variable of highest % component of EWS housing being offered free / at subsidy to state body

Green Field Model

Build to Order - Minimization of project risks with the state body inviting pre-bookings from prospective buyers at identified locations. The pre-booked project (Pre-formulated and Approved) to be offered to Private sector for development, with the bid variable being lowest extra subsidized land being sought by the private partner.



5. ROLES AND RESPONSIBILITIES OF STAKEHOLDERS

- 5.1 Project Conceptualization - Project conceptualization involves identification of the project needs, assessment of demand, identification of potential project geographies, and articulation of project objectives. Project conceptualization shall be handled by the state bodies (Public Sector)
- 5.2 Land acquisition and consolidation - The land acquisition process is usually associated with very high socio-political risks and is best handled by the public entities. A smooth land consolidation process has the potential to significantly reduce the project delivery lifecycle, thereby reducing the project costs. Public sector shall facilitate land acquisition / land transfer to the Private Sector.
- 5.3 Urban Planning, Architectural and Structural Design - Constant innovation and value engineering resulting in value optimization are critical to the success of any affordable housing project. A competitive business environment and the PPP contracting process shall boost innovations by the private sector.
- 5.4 Regulatory Approvals - The regulatory risk perception associated with the uncertainties involved and time required is priced by the private sector in the bids. All the regulatory approvals if available prior to bid invitation; have the potential to significantly improve the value for money aspect associated with the project. Facilitating in a time bound manner, all the requisite regulatory approvals shall be the responsibility of the state bodies.
- 5.5 Construction Execution and Project Management - The execution risks in PPPs are better allocated by assigning the construction and project management responsibility to the private sector with public sector retaining the monitoring role.
- 5.6 Quality Assurance and Control - Quality construction is critical to sustainable value creation. A PPP Project by design allocates quality assurance risk to the private sector. In order to ensure quality, it is important to clearly specify the desired quality parameters and monitor and control them. This responsibility is better managed by the public sector, while vesting the primary responsibility of



- rectifying defects and ensuring project delivery as per set standard with the private sector
- 5.7 Project Finance - The private sector has expertise in balancing the project cash flows so as to minimize the interest costs. The primary responsibility for raising project finance shall be borne by the private sector.
- 5.8 Project Marketing and Sale of Units - Risk perception in the minds of a customer is lower when a public player is marketing a project. . Also the units being part subsidized are likely to result in over-subscription, which can best be addressed by public sector taking up the responsibility for marketing and sale of subsidized units. Private sector shall handle the sale of free sale components
- 5.9 Independent Project Audit - Success of a project is linked to the confidence level of respective stakeholders on the other participating players. In order to ensure this both the Public and Private sector shall commission an independent credible agency to monitor, audit and periodically update, process and evaluate objective performance report.
- 5.10 Project Development Monitoring & Evaluation Mechanism - The process of performance monitoring needs to be dynamic and under constant review as and when project circumstances undergo a change over time. An expert panel shall be formulated so as to monitor the performance of the public-private partnership projects. A monthly review report shall be maintained by the panel to ensure that the terms and conditions as well as services agreed to in the concession agreement are implemented in spirit.
- 5.11 Performance guidelines - Formulation of detailed and clear performance guidelines is critical to the success of any PPP. The incentives or penalty may either be in the form of cash or revision of subsidy/ cross subsidy, granting additional subsidy, should the concessionaire attract incentives and reduction/ partial withdrawal of the same in case the concessionaire attracts a penalty.



- 5.12 Construction Monitoring - The monitoring committee shall closely monitor the timely execution and quality assurance, by maintaining periodical progress reports and third party quality inspection reports duly supported by material test report.
- 5.13 Dispute resolution mechanism - An effective dispute resolution mechanism is critical to resolving differences during a PPP implementation. A long term PPP project would invariably have some issues unforeseen by the PPP contract. So there is a need for a mechanism wherein, the stakeholders could communicate, discuss, and agree on reasonable contract modifications. These renegotiation mechanisms and dispute resolution techniques would bring down the contract risks of the project.



6. PARTNER - PRE-QUALIFICATION

6.1 The selected bidder who shall be either a company incorporated under the companies act, 1956, or undertakes to incorporate prior to execution of concession agreement shall be responsible to Design, Finance, Construct, Part Sale and Maintain the Project (For a specified period)

6.2 At pre qualification stage it would be required for the bidders to furnish all information supporting their capability to execute each of the above defined aspects of the project. Only the applicants Pre-Qualified by the state body, shall be invited to submit their techno-commercial bid for the project.

6.3 For determining the eligibility of applicants for Pre-Qualification the following shall apply

6.3.1 The applicant shall be an entity or a group of entities (Consortium)

6.3.2 The applicant can be a private or a government owned entity.

6.3.3 The applicant should not have a conflict of interest with a potential to affect the bidding process

6.4 For demonstrating the technical and execution capacity, the applicant shall be required to furnish proof of having executed (Constructed, Developed and/or Operated) similar projects within a period of 5 years prior to the application due date.

6.5 The threshold criteria shall be that total sum of value of all eligible projects shall be at least two times the preliminary cost estimate of the project in question.

6.6 For assessing the financial capacity Net worth shall be adopted as the criterion, as it is a comprehensive indicator of the financial strength. The Net worth of the bidder shall be 25% of the estimated project cost of the project for which the bids are being invited.

6.7 In case of consortiums the combined technical and financial capability of the consortium members holding greater than 26% equity, shall be counted.



7. PROJECT FORMULATION

7.1 Redevelopment Projects (Brownfield Model)

7.1.1 Model Summary

The core focus of the model is at ensuring the rehabilitation of existing dwellers into quality residential accommodations. The model works on unlocking the value potential of the land freed and utilizing it towards construction of affordable housing. The model seeks to ensure that the project is feasible enough to generate private sector participation fulfilling their profit objective. At the same time, it aims at controlling the development risk of EWS Housing by partly minimizing the market risk for non-EWS units.

Objective: The main objectives of the model are:

- Redevelopment and rehabilitation of all existing occupants/ slum dwellers
- Prevention of further proliferation of slums in the location
- Redevelopment to have access to basic amenities
- Rehabilitation to be financially feasible and self-sustaining to facilitate private sector participation

Salient Features

Reverse Tendering Approach:

- Applicable on in situ developments
- Maximization of EWS units
- Low initial payouts

Slum Prevention Mechanism: Rental housing components prevents further proliferation of Slum dwellings

Market Assessment: Project formulation on updated independent market assessment comprising of development potential and rehabilitation requirements

Intermediate MIG housing:

- Segregate market risk from basic project delivery
- Ensure Uniform development Spread
- Project Escrow Account: Government grant on EWS units sold channelized directly into account



7.1.2 Assessment of Rehabilitation Requirement

The state body shall carry out a slum survey to ascertain the following key requirements

- a. Total Number of Slum Dwellers Requiring Rehabilitation
- b. Total Number of Households
- c. Minimum, Maximum, Average and Median count of Family members per household.
- d. EWS Dwelling unit requirements.
- e. Income profile of slum-dwellers and their key business requirements.
- f. Demand for LIG units and price willingness amongst slum dwellers
- g. Sufficiency of separate Hawking Zones, to cater to the business requirement of slum dwellers.
- h. Social infrastructure requirement.
- i. Count of floating slum population requiring rental housing / bachelor accommodation

The data thus collected shall be required to be quantified into total built up area required to be created to cater to the Rehabilitation Requirements

7.1.3 Assessment of Total Development Potential

The state body shall carry out an independent assessment of the Optimum Development Potential of the slum to be rehabilitated. The assessed development potential shall be higher of the following

- a. Permissible FSI and Density Norms as per the Approved Master Plan and or Development Control Regulations of the zone of the city, in which the slum is located.
- b. Revised Recommended FSI and Density Norms based on an assessment of existing and proposed Infrastructure development in the area, and population carrying capacity of the catchment. In case the revised recommendation is 0 to 20% higher than original permissible FSI / Density, the same shall be required to be duly certified by the Town Planning Department of the city.
- c. In case revised recommendations are higher than 20% of those permissible as per DCR, the same shall have to be certified through an independent



infrastructure assessment carried out by a team of consultants, along with a cost benefit analysis duly certified by the Town Planning Department.

The conclusion of the exercise shall be a Quantified cumulative Development Potential for the underlying land parcel of the slum being rehabilitated.

7.1.4 Assessment of Affordability and Willingness of MIG segments

7.1.4.1 Definition of Affordable Houses

The definition of affordable houses shall be in line with the “Guidelines for Affordable Housing in Partnership” Ministry of Housing and Urban Poverty Alleviation. The same are being reproduced here

“DEFINITION OF AFFORDABLE HOUSES

Keeping in mind that the housing shortages affect mostly the EWS and LIG, and the younger group of urban-urban migrants changing cities in search of better prospects, affordable houses, for the purpose of this scheme, may be taken as houses ranging from about 300 square feet (super built up area) for EWS, 500 square feet for LIG and 600 square feet to 1200 square feet for MIG, at costs that permit repayment of home loans in monthly installments not exceeding 30% to 40% of the monthly income of the buyer. In terms of carpet area, a EWS category house would be taken as having a minimum 25 square meters of carpet Area and the carpet area of an LIG category house would be limited to a maximum of 48 square meters. The carpet area of an MIG house would be limited to a maximum of 80 square meters.”

7.1.4.2 Affordability Assessment

In order to calculate housing affordability for MIG segment, the following methodology shall be followed

1. Assessment of average Middle Class Household income. It shall be possible to ascertain the same through numerous city / state level employment surveys being carried out various Pvt. And Public sector bodies. Also suitable inputs may be sought from the Income Tax Department.
2. Assessment of average middle class dwelling units' size. This shall be done through a scan of average dwelling unit sizes in Middle Class Localities of the city.



3. Mortgage Interest Rates applicable on Home Loans. Average EMI per lakh of Home loan, considering the average loan tenure of Home Loans.
4. Component of Monthly income available for meeting fixed obligations (Home Loan EMI in the case). This shall be taken as 30% of average household income calculated above.
5. Loan Eligibility (In Rs Lakhs) for average middle class house hold shall be arrived at, by dividing the above by average per lakh loan EMI.
6. Considering the loan eligibility to be 85% of Property Value, the affordable unit value shall be calculated by dividing the loan eligibility by 85%.
7. Thus arrived unit value shall be divided by average MIG unit size to arrive at affordable price (Rs/Sft)

7.1.4.3 Assessment of Willingness to Buy

The willingness to buy shall be ascertained by inviting expression of interest from MIG households to buy units under the redevelopment project at the price points calculated in the above affordability assessment.

In some cases an independent study may have to be carried out by experienced market research professionals, to arrive at the MIG price willingness for housing.

7.1.5 Project Structure and Partner Selection

The above assessment shall provide the following inputs for detailed project formulation

- Minimum EWS housing units to be constructed as a percentage of total available area
- Minimum quantity of rental housing to be constructed
- Price affordability and willingness for MIG units.

A mathematical model shall be developed on a case to case basis to pre-determine the quantity relationship between MIG units with those of EWS units. This shall be based on the principle of surplus from sale of MIG units to be sufficient to cover the construction cost of EWS units.



7.1.5.1 Partner Selection Criteria:

A reverse tendering approach shall be followed in the model. The bidding criterion shall be the maximum number of EWS units which the private developer would be willing to develop. The approach shall restrict the level of risk being taken in the form of high premium quote. The entire project premium proposed by the developer shall be channelized in the form of higher quantity of EWS units, the development risk of which shall be suitably covered by the linked MIG units.

7.1.6 Re-densification Projects

The brown field approach may also be adopted for re densification projects proposed to be implemented by Private sector. This shall be applicable in specific scenarios, where existing public sector housing is approaching end of its useful design life, and where the existing FSI and Density consumption is fairly lower as compared to present day permissible norms.

The rehabilitation component in these cases will be replaced with Public sector housing requirement.



8. PROJECT FORMULATION

8.1 Green Field Model

8.1.1 Model Summary

The proposed model aims at providing an affordable housing solution through a public private partnership approach towards development of Greenfield projects

Objective: The main objective of the model is to provide affordable housing projects for the under focused segments of the society, by building synergy between public and private sector, improving efficiency and creating competition in a transparent manner. This can be possible by proportioning different project risk amongst players which best suited their appetite.

The model seeks to ensure that the project is feasible enough to generate private sector participation fulfilling their profit objective. At the same time, it aims at minimization of project risk specifically the regulatory, market and development risks

Salient Features

“Built To Order” Philosophy:

- Reversal from traditional approach of project formulation followed by offer for sale
- Model focuses on pre-committed and subsequently formulated project
- Completely eliminate market risk
- Balanced demand and supply to eliminate speculative demand

Project Pre-approved:

- Reversal from traditional approach of approvals post project formulation
- Model focuses on approvals before formulating project
- Eliminates regulatory risk
- Results in more competitive bids



Project Escrow Account: Government grant on EWS channelized directly into Account

8.1.2 Need Identification: A state nodal agency shall undertake a primary survey to understand the quantum of affordable dwellings requirements in the city. The main outcome expected shall be to ascertain the exact unit requirements in each segment of the society, which in-turn shall lead to the ascertaining of the land requirement for constructing these units.

8.1.3 Identification of Potential Project Locations: Based on the total land requirement ascertained above, the state agency shall identify potential locations with land availability. These locations shall be identified giving due considerations to the following

- a. Government Land Holdings
- b. Existing and Proposed Infrastructure Support available.
- c. Minimum Rehabilitation requirement.
- d. Land Costs

8.1.4 Assessment of Affordability and Willingness of LIG and MIG segments

8.1.4.1 Definition of Affordable Houses

The definition of affordable houses shall be in line with the “Guidelines for Affordable Housing in Partnership” Ministry of Housing and Urban Poverty Alleviation. The same are being reproduced here

“DEFINITION OF AFFORDABLE HOUSES

Keeping in mind that the housing shortages affect mostly the EWS and LIG, and the younger group of urban-urban migrants changing cities in search of better prospects, affordable houses, for the purpose of this scheme, may be taken as houses ranging from about 300 square feet (super built up area) for EWS, 500 square feet for LIG and 600 square feet to 1200 square feet for MIG, at costs that permit repayment of home loans in monthly installments not exceeding 30% to 40% of the monthly income of the buyer. In terms of carpet area, an EWS category house would be taken as having a minimum 25 square metres of carpet area and the carpet area of an LIG category house would be limited to a maximum of 48 square metres. The carpet area of an MIG house would be limited to a maximum of 80 square metres.”



8.1.4.2 Affordability Assessment

In order to calculate housing affordability for LIG and MIG segment, the following methodology shall be followed

1. Assessment of average Lower Income Group and Middle Class Household income. It shall be possible to ascertain the same through numerous city / state level employment surveys being carried out various Pvt. And Public sector bodies. Also suitable inputs may be sought from the Income Tax Department.
2. Assessment of average class wise dwelling unit's size. This shall be done through a scan of average dwelling unit sizes in Lower and Middle Class Localities of the city.
3. Mortgage Interest Rates applicable on Home Loans. Average EMI per lakh of Home loan, considering the average loan tenure of Home Loans.
4. Component of Monthly income available for meeting fixed obligations (Home Loan EMI in the case). This shall be taken as 30% of average household income calculated above.
5. Loan Eligibility (In Rs Lakhs) for average lower and middle class house hold shall be arrived at, by dividing the above by average per lakh loan EMI.
6. Considering the loan eligibility to be 85% of Property Value, the affordable unit value shall be calculated by dividing the loan eligibility by 85%.
7. Thus arrived unit value shall be divided by average LIG and MIG unit sizes to arrive at affordable prices (Rs/Sft)

8.1.4.3 Assessment of Willingness to Buy

Project Information Memorandum: The nodal agency shall formulate a Project Information Memorandum (PIM) which shall entail the business plan of developing the required residential units in the city. The document shall provide the details of identified proposed locations. The document shall also detail size, specification and price of units proposed to be developed and sold.



Buyer Identification: The Nodal agency shall float a marketing campaign mentioning the business plan generated out of the PIM. The basic objective would be to determine the interest of the population in the development proposed by means of public private partnership. The nodal agency shall ascertain the prospective demand by accepting registration from the willing buyers along with their location & unit preference. In order to prevent speculative multiple applications the applicant shall be required to present their KYC documentation, income proofs, and 5% to 10% of the property value as registration amount.

8.1.4.4 Project Structure

Based on the location specific Expression of Interests received, the project/s shall be formulated to comprise of essential social component of low cost housing, already presold at predefined affordable prices.

Only the projects with a minimum pre-commitment of 200 LIG and MIG units shall be taken up for PPP bidding.

All the advance receipts of the projects shall be transferred to a project specific SPV. The project shall be granted a single window in principle approval.

8.1.4.5 Partner Selection Criteria:

The bidders shall be evaluated on the pre-defined technical fulfillment & financial bid criteria. The bidders shall be selected based on the one seeking lowest addition land to be provided by the public sector circle rates.



9. PROJECT EXECUTION

9.1 Land Acquisition / Rehabilitation: The developer shall initiate the project in accordance with the defined timelines. In case of Brown field projects the project shall start with development transit accommodation at an identified site, and rehabilitation of slum dwellers, which shall be facilitated by the public sector. For the green field projects, the process will start with land acquisition for the essential as well as the compensatory land. The public sector shall facilitate acquisition of work as land at circle rates defined for the area in a time-bound manner. However, the total cost of acquisition of the land shall have to be borne by the developer.

9.2 Project construction and completion: The project shall be constructed in accordance with the project plans sanctioned by the competent authority in accordance with the pre-defined specifications, and within the pre-defined timelines. In order to ensure that the social objective of delivering the units under the affordable segment (EWS, LIG and MIG) is preceded by the development proposed by the developer for commercial exploitation, it shall be ensured that free sale component land shall be released linked to achievement of fixed milestones, and progressive handover of EWS housing

The developer shall have the flexibility to develop, under the broad development guidelines, any composition to maximize his profits on the compensatory land. This shall, however, be subject to the FSI and density terms applicable to the project.

9.3 Project Handover: The project shall be handed over in a progressive manner within the scheduled timelines. The units constructed under the EWS category shall be handed over to the nodal agency which shall allot the units to slum dwellers identified in the survey carried out during the project formulation stage. The MIG units shall be sold by the private developer at pre-decided rates. The balance area constructed for commercial exploitation shall solely be marketed and sold by the private developer at the open market negotiated rates.

9.4 Escrow Account: A designated project escrow account shall be opened in a scheduled commercial bank where all the project inflow and outflow will be regulated.



The objective of creating an escrow account is two-folds, firstly to ensure the funds allocated for the project are channelized for specific project development only and secondly, to ensure transparency in collection and utilization of funds.

9.5 Exit Clause: In case, on account of any unforeseen reason, the private sector player is not able to complete the project, and wants to exit from the project, the same shall allowed by the public sector, by taking charge of the Project Escrow Account, along with other project liabilities. The private sector player shall be asked to pay the penalty/ alternatively his performance guarantee shall be in cashed

9.6 Prevention of Speculation:

In order to prevent any speculative activity preventing the percolation of the affordable housing supply to the actual demand points, a number of preventive mechanisms shall be built. All the buyers of subsidized housing shall be screened for their income and eligibility for the same. Also to further prevent formation of a secondary market and profit making from these units, a clause of time restrictions preventing the sale of these units for a period of 5 years shall be enforced.

9.7 Buy Back and Re-allotment:

It is understood that the housing users may during their life cycle move up the income strata, resulting in increased affordability, and limited usage of the houses in question. In order to facilitate an exit from these properties buy back clause shall be incorporated necessitating a buy back by the public sector at pre-defined price. These bought back units can be re-allotted by the public sector to willing buyers at that point of time.

9.8 Tie-up of financing arrangement

In order to provide cheap credit to the EWS and LIG segment of population who are excluded from the mainstream banking sector and housing finance institutions, creation and promotion of Micro Housing Finance Institutions (MHFI's) shall be important. The PPP operator shall enter into project specific tie up with one or two micro finance organizations, which in turn on account of exclusive financing rights, and title guarantee from the PPP operator, make available the finance to EWS and LIG segments at competitive rates.



10. CENTRAL GOVERNMENT ASSISTANCE

The central Government assistance as proposed in “Guidelines for Affordable Housing in Partnership” Ministry of Housing and Urban Poverty Alleviation shall be applicable for all PPP projects in Housing. The relevant provisions are being reproduced here.

“Central Assistance under the scheme will be limited to least of following:

- Rs. 50,000 per Dwelling Unit for all dwelling units taking EWS, LIG and MIG units together which are proposed in the project
- 25% of the cost of all civic services (external and internal) proposed in the project

S.No	Built up area for EWS/LIG as a percentage of total constructed area	Subsidy Amount*
1	25%	Rs. 60,000 per EWS/LIG unit
2	>25% and upto 30%	Rs. 60,000 - 70,000 per EWS/LIG unit
3	>30% and upto 35%	Rs. 70,000 - Rs. 80,000 per EWS/LIG unit
4.	>35% and upto 40%	Rs. 80,000 - 90,000 per EWS/LIG unit
5.	>40%	Rs. 90,000-Rs. 1,00,000 per EWS/LIG unit

**An Additionally of 12.5% may be provided for North Eastern States including Sikkim & Special Category States (Jammu & Kashmir, Himachal Pradesh & Uttarakhand).*

Release of Central Government share would be in three installments to the State/UT Government or its designated agency on reimbursement basis (@ 25%.50%, 25% respectively). The last installment would be released after ascertaining the completion of construction and selection of beneficiaries.”



11. GOVERNANCE

The Governance structure for all PPP projects availing central government grant shall be same as proposed in “Guidelines for Affordable Housing in Partnership” Ministry of Housing and Urban Poverty Alleviation.

The National Steering Group of JNNURM shall steer the scheme to its objectives:-

The Central Sanctioning and Monitoring Committee in the Ministry of Housing & Urban Poverty Alleviation for sanctioning the projects submitted by States/UTs under BSUP, would also sanction projects of PPP in Housing

The State level Steering Committee for BSUP, would decide projects and their priorities for inclusion in the scheme, and for submission to the Central Sanctioning & Monitoring Committee.