



Assessment of Government Policies for Affordable Housing Sector in Maharashtra

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ABSTRACT: Shelter is a basic human need. The planning for housing is essential so that various services like transport, water, electricity and other amenities like hospitals, schools, recreational space etc., can be accessed by the residents efficiently and beneficially. Besides, livelihood opportunities also need to be linked to the residential areas suitably so that the housing need of the human being gets fuller satisfaction. This thesis deals with the public policy on rural housing in India and the plan wise allocation of funds towards rural housing schemes. It also analyses housing policy in India since Independence. It explains the Rajiv Awas Yojna (RAY) And Pradhan Mantri Awas Yojna of the Housing role of the rural housing finance in Maharashtra. And difference between these both policies and give some recommendation to improve those policies

I. INTRODUCTION

The State Government has resolved to provide 19 lakh houses by the year 2022, with main thrust for Economically Weaker Section (EWS), Lower Income Group (LIG) and Middle Income Group (MIG) housing. This time bound objective has given a dimension of urgency to revisit the earlier government housing policy. Thus a new housing policy needs to be in place in view of the new dynamic scenario by defining the role of the State as a Facilitator, Catalyst, Builder and Regulator.

As per the census of 2011, out of 3.36 crore census houses 2.98 crore houses were occupied in the State. The population of the rural houses in the total census houses was 52.2% and 47.8% in urban areas. A Survey by the National Housing Bank (NHB), reveals a national housing shortage of 18.78 million in 2012-13, with Maharashtra's shortage estimated at 1.94 million houses. Urbanization in Maharashtra has increased from 42.43% to 45.23% between 2001-2010. All indicators project an ever increasing trend of urbanization. The urban population share in the total population of India is 31.16%. In a decade (2001- 2011) the census houses have increased by 31.12% overall, while in rural areas the rise is 25.63% and in urban area it is 37.7%. All indicators indicate the gravity of the housing deficit in the State particularly in the affordable housing segment and hence affordable housing needs a big push. The situation warrants mission mode approach for the housing sector, starting with the introduction of a New Policy.

A. Demand for affordable housing in India

- Affordable housing is quickly taking a center stage internationally, within the national agenda in Republic of India.
- Various factors are responsible for the demand of affordable house in India, such as, the progressive urbanization, going hand in hand with a growing urban population, which increased from 109 million in 1971 to 377 million in 2011, and is projected to grow to 600 million by 2030.
- The consequence of the growing concentration of people in urban spaces is felt in land and housing shortages and congested transit, besides the stress on basic amenities such as water, power, and sanitation.
- The Ministry of Housing estimated a housing shortage of 18.78 million houses during the 12th plan period, with 99 percent in the economically weaker and lower income groups.

B. Objective

The following are the objectives of the present study:

1. To study the affordable housing policies in India.
2. To collect data regarding Rajiv Awas Yojna (RAY) And Pradhan Mantri Awas Yojna (PMAY) and its implementation.
3. To conduct case studies on the projects.
4. To give suggestions for successful implementation of Government schemes.

II. AFFORDABLE HUSING POLICIES

Affordable housing is a term accepted by researchers in providing solutions, guidelines and frameworks especially in formulating housing policy and schemes. For years, the Indian government has tried to provide affordable housing, mainly through public sector housing programs, slum redevelopment and provision of land with access to infrastructure. Since Independence, government of India had launched various housing schemes.

Table 1 Housing schemes of The Government of India since independence

Sr. No.	Housing Schemes	Launched in Year
1	Integrated Subsidised Housing Scheme for Industrial workers and Economically Weaker Sections	1952
2	Low Income Group Housing Scheme	1954
3	Subsidized Housing Scheme for Plantation Workers	1956
4	Middle Income Group Housing Scheme	1959
5	Rental Housing Scheme for State Government Employees	1959
6	Slum Clearance and Improvement Scheme	1956
7	Village Housing Projects Scheme	1959
8	Land Acquisition and Development Scheme	1959
9	Provision of House Sites of Houseless Workers in Rural Areas	1971
10	Environmental Improvement of Urban Slums	1972
11	Sites and Services Schemes	1980
12	Indira AwasYojana	1985
13	Night Shelter Scheme for Pavement Dwellers	1990
14	National Slum Development Program	1996
15	2 Million Housing Program	1998
16	ValmikiAmbedkarMalinBastiAwasYojana	2000
17	Pradan Mantra GramodayaYojana	2001
18	Jawaharlal Nehru National Urban Renewal Mission	2005
19	PradhanMantriAdarsh Gram Yojana (2009-10)	2009
20	Rajiv AwasYojana	2011
21	PradhanMantriAwasYojana- Housing for All (Urban)	2015

A. RAJIV AWAS YOJANA (RAY)

Rajiv Awas Yojana (RAY) envisages a “Slum Free India” with inclusive and equitable cities in which every citizen has access to basic civic infrastructure, social amenities and decent shelter.

Vision

- Improving and provisioning of housing, basic civic infrastructure and social amenities in intervened slums.
- Enabling reforms to address some of the causes leading to creation of slums.
- Facilitating a supportive environment for expanding institutional credit linkages for the urban poor.
- Institutionalizing mechanisms for prevention of slums including creation of affordable housing stock.
- Strengthening institutional and human resource capacities at the Municipal, City and State levels through comprehensive capacity building and strengthening of resource networks.
- Empowering community by ensuring their participation at every stage of decision making through strengthening and nurturing Slum Dwellers’ Association/Federations.

B. PRADHAN MANTRI AWAS YOJANA (PMAY)

Pradhan Mantri Awas Yojana (PMAY) is an initiative by Government of India in which affordable housing will be provided to the urban poor with a target of building 20 million affordable houses by 31 March 2022. It has two components: Pradhan Mantri Awas Yojana (Urban) (PMAY-U) for the urban poor and Pradhan Mantri Awas Yojana (Gramin) (PMAY- G OR PMAY-R) for the rural poor.

The features of Pradhan Mantri Awas Yojana are that the government will provide an interest subsidy of 6.5% on housing loans availed by the beneficiaries for a period of 20 years under credit link subsidy scheme (CLSS) from the start of a loan. The houses under Pradhan Mantri Awas Yojana would be constructed through a technology that is eco-friendly, while allotting ground floors in any housing scheme under PMAY, preference will be given to differently abled and older persons.

Phases

3 Phases of PMAY envisage starting and completing the house construction work as follows:

- PMAY Phase-1 from April 2015 to March 2017 to cover 100 cities.
- PMAY Phase-2 from April 2017 to March 2019 to cover additional 200 cities.
- PMAY Phase-3 from April 2019 to March 2022 to cover the remaining cities.

III. CASE STUDY**A. CASE STUDY ON RAJIV AWAS YOJANA (RAY)****Rehabilitation Plan for Project Nirvana under RAY: Pune, India****Contractor - Kumar Sinew Developers Private Limited**

Overall, the objective of the Rehabilitation Plan is to improve the standards of living of the displaced poor and other vulnerable groups to at least national minimum living standards and to enhance, or at least restore, the livelihoods of displaced persons (who have settled in the Project area prior to the Project cut-off date) in real terms relative to pre-project levels. 4. The Nirvana Hills Phase 2 Project is located at Survey Number 44/1, Erandwana in the Haveli taluka of the city of Pune, India. The entire project is to be developed over an area of approximately 79.75 acres. The project can be broadly divided into three components: (a) Rehabilitation Component; (b) the Sale Component, i.e. commercial and residential buildings; and (c) Construction of associated infrastructure and other facilities to support development of Nirvana Hills Phase 2 Project. The Phase II includes following zones namely Kelewadi and Indira Park, Rajiv Gandhi and Vasant Nagar (the buildable zones) & Rautwadi and Hanuman Nagar (non-buildable zones) consisting about 4324 households.

Budget for Rehabilitation Plan

The budget for the rehabilitation plan has been developed based on the number of eligible and non-eligible families and the three resettlement options namely:

- Option I: Cash Compensation at Replacement Value; and
- Option II: Low Cost Housing linked to the RAY.
- Option III: Non-SRA/KUL allocated housing without FSI advantage.

The total budget for each option is estimated to be:

- Option I: Rs. 1,379,749,000
- Option II: Rs. 1,024,363,000
- Option III: Rs. 1,461,313,000

An additional budgetary provision for contingency @ 10% has also been provided for each option.

Slum Zone and Number of Tenements

Table 2 Slum Zone and Number of Tenements (Ref- Slum Development PMC)

Name of the Zone	Number of Tenements	Phase of Development
Wader Wasti	488 (approximate)	Phase I (completed)
Kelewadi and Indira Park	1145	Phase II (completed)
Rajeev Gandhi Park	985	Phase III(completed)
Rautwadi	498	Phase V (on Going)
Hanuman Nagar	1125	Phase IV (on going)
Vasant Nagar	571	Phase III (completed)
Total	4812	From Phase II to Completion is only 4324

The key specifications as per SRA which the developer is required to comply while constructing the rehabilitation towers are as follow

- A Carpet area of 25 sq. m. or 269 sqft including balcony, bath and water closet
- A Carpet area of 25 sq m or 269 sqft for displaced shops and commercial establishment
- A multi-purpose room with size up to 12.5sq.m and with a minimum width of 2.4 m
- The cooking space allowed with a minimum size of 2.4sq.m with minimum width of 1.2 m
- Width of pathway around the buildings to vary from 1.5m to 3m starting from a pathway length of 20m and incrementing by 0.5 for every increase of 10m
- It is not essential to provide flushing cisterns and toilets without this provision can be supplied. The water closet seat shall be of minimum of 0.46 mt (18 inches) in length
- The minimum internal dimension for a water closet (if separately provided) shall be 0.90m x 1.10m
- The minimum internal size of ventilation shaft provided shall be 1.50m x 2.40 m

- A septic tank shall be provided with capacity of 141.6 liters (five cubic feet) per capita where the municipal services are likely to be available within four or five years or so. Pour flush water seal latrines (NEERI TYPE) shall be permitted where the municipal sewerage system is not available and the water table in the area is not high

B. CASE STUDY ON PRADHAN MANTRI AWAAS YOJANA (PMAY)

Pradhan Mantri Awas Yojana – Gramin (PMAYG), earlier known as Indira Awaas Yojana (IAY), is a scheme for rural housing by the Indian Government. This social welfare program was initiated to meet the objectives of the “Housing for All” scheme by the year 2022.

It aims to provide a 25-square meter pucca house including basic amenities to beneficiaries of the scheme. The houses provided will have certain special features such as it would be disaster-resilient, low cost, and will be built keeping in mind the socio-cultural and geo-climatic factors.

Implementations Plan

- End to End transformation of PMAY housing scheme implementation through transparent execution strategy
- Applicant applies online under the desired vertical along with scanned copies of supporting documents.
- Further processing of the beneficiary application is done by stake holders of the PMAY MIS System.

Mechanism of Direct Benefit Transfer (DBT)

- The benefit is to be transferred to the beneficiaries in three instalments viz. Instalment 1st of 40%, Instalment 2nd of 40% and final 3rd instalment of 20%.
- The instalment wise selection of beneficiaries and generation of bills is to be done online and payment disbursing bank will update the transaction details in the MIS from Bank's login.
- The details of the construction milestones and Central, State and Beneficiary share in INR Lakhs is given in the table on next slide

Table 3 Sharing Mechanism & DBT Installment wise (Ref- PMAY Amravati)

Installment	Milestone	Central	State	Beneficiary	Total (Lakhs)
1 (40%)	Plinth Level	0.6	0.4	0.804	1.804
2 (40%)	Lintel Level	0.6	0.4	0.804	1.804
3 (20%)	Slab Level	0.3	0.2	0.402	0.902
Total		1.5	1	2.01	4.51

C. FINDINGS

CASE STUDY 1

1. In the given case study we observe that they are using red brick in construction
2. With the launch of Rajiv Awas Yojana, it was largely ambiguous to how BSUP and RAY were to be integrated by the state governments.
3. Lack of suitable guidelines and delegation from the central government were reasons for the underwhelming results of the two relatively analogous policies.

CASE STUDY 2

1. In Pradhan Mantri Awas Yojana's 75% of the project costs were to be borne by the central and the remaining by the State government and a minimal amount by the beneficiaries.
2. The construction cost in case study 2 were last update in 2018

IV. CONCLUSIONS AND SUGGESTIONS

A. DIFFERENTIATE (RAY) & (PMAY)

1. Rajiv Awas Yojana (RAY) Improving and provisioning of housing, basic civic infrastructure and social amenities, and decent shelter in intervened slums. And Pradhan Mantri Awas Yojana (PMAY) is an initiative by Government of India in which affordable housing will be provided to the urban poor
2. Pradhan Mantri Awas Yojana has two components: Pradhan Mantri Awas Yojana (Urban) (PMAY-U) for the urban poor and Pradhan Mantri Awaas Yojana (Gramin) (PMAY-G OR PMAY-R) for the rural poor.
3. Where (PMAY-G) Providing shelter for poor has always been a challenge for India and the problem is more prominent in rural areas. Various international resolutions such as United Nations Declaration of Human Rights, International Covenant for Economic, Social and Cultural Change Rights, Vancouver Declaration on Human Resettlements, etc., have recognized housing as a part of the right to an adequate standard of living.
4. And Pradhan Mantri Awas Yojna (Urban) or PMAY (U) scheme is The Credit Linked Subsidy Scheme (CLSS) for Middle Income Group (MIG) to be called CLSS for MIG I and MIG II



5. The Pradhan Mantri Awas Yojana's inception and supersession of RAY can be attributed to the change in the ruling party, The PMAY in comparison to RAY though adopting quite a different approach in the issue of 'Housing for All' is quite similar in its objective of achieving 'Slum free cities' by 2022. PMAY in contrast to RAY is much more decentralized in financing the construction and development of the dwellings. RAY on the other hand involved a larger role by the central. Nearly 75% of the project costs were to be borne by the central and the remaining by the State government and a minimal amount by the beneficiaries.

6. The funds are released only after Third Party Inspection and Monitoring Agency (TIPMA) reports are forwarded to and approved by the CSMC. When the reports are delayed, the funds are consequently delayed the projects get delayed due to this and the beneficiaries tend to lose faith in these projects and develop a strong resistance to relocation/development.

B. SUGGESTIONS

1. In the given case study we observe that they are using red brick in construction site instead of that Use CLC (Siporex) bricks they are lighter in weight, they will increase the total cost of construction material for brick but, it decreases Labour cost due to its fast construction.. Time required to construct any structure is less i.e., construction is easy & construction cost n labour cost also less. It should be update in T&C of Rajiv Awas Yojana to improve construction speed.
2. In Pradhan Mantri Awas Yojana's 75% of the project costs were to be borne by the central and the remaining by the State government and a minimal amount by the beneficiaries. But there are some families who doesn't apply for the scheme due to financial condition, the government should update that funding pattern for that families
3. In Pradhan Mantri Awas Yojana's there are estimate of the construction cost were last update in 2018, it affect directly quality of construction, they should update their construction cost every year

C. FUTURE SCOPE

1. Development of large-scale affordable housing is the greatest necessity of urban India today.
2. Indian cities lack them, and this has resulted in the proliferation of slums and unorganized real estate across the landscape. This is detrimental to the planned growth of cities.
3. Large-scale urban developments are becoming increasingly difficult due to lack of land parcels, congested transit routes, lack of finance, rising input costs and regulatory hurdles.
4. However, it is vital that these issues are addressed urgently so that a comprehensive framework can be established in ensuring the development of affordable housing.

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