

**GOVERNMENT OF INDIA  
MINISTRY OF HOUSING AND URBAN AFFAIRS  
LOK SABHA  
UNSTARRED QUESTION NO. 1988  
TO BE ANSWERED ON SEPTEMBER 22, 2020**

**ARHC SCHEME**

**NO.1988. SHRI UTTAM KUMAR REDDY NALAMADA:**

**Will the Minister of HOUSING AND URBAN AFFAIRS be pleased to state:**

- (a) the number of houses covered and the number of migrants to be benefitted from the Affordable Rental Housing Complex (ARHC) scheme city-wise;**
- (b) whether the Government has prioritised cities of high economic importance and migrant footprints;**
- (c) If so, the details of cities that have been prioritized and if not, the reasons therefor;**
- (d) the steps taken by the Government to ensure time bound implementation of scheme for priority cities;**
- (e) whether the Government has conducted any feasibility studies of the scheme, given the rising NPAs, slowdown in economy and high land prices in urban areas of economic importance, and if so, the details thereof;**
- (f) the steps taken to attract developers and make these projects financially viable for them; and**
- (g) whether the Government has set a city-wise target of migrants to be benefitted and if so, the details thereof?**

**ANSWER**

**THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE  
MINISTRY OF HOUSING AND URBAN AFFAIRS  
(SHRI HARDEEP SINGH PURI)**

- (a): At present no Affordable Rental Housing Complex (ARHC) has been made operational anywhere in the country. States/Union Territories (UTs) are currently identifying such projects in cities which are readily available for converting into ARHCs after making them livable.**

**A total of 2.95 lakh beneficiaries have been envisaged to be benefitted by this scheme initially. Through Model-1, approximately 75,000 existing Government funded vacant housing complexes in various cities are targeted to be converted into ARHCs. In Model-2, new construction of 40,000 single/ double bedroom houses and 1,80,000 dormitory beds are targeted to be operationalized using innovative and alternate technologies.**

**(b) to (d): Projects under ARHCs will be applicable for consideration and funding till Pradhan Mantri Awas Yojana - Urban (PMAY-U) Mission period i.e. March 2022. All states/UTs are prioritizing cities of high economic importance and migrant footprints for implementation of this Scheme.**

**In order to ensure time bound implementation of scheme, following actions have been taken by MoHUA:**

- i. Operational Guidelines of ARHCs along with other implementation framework have been circulated to all States/ UTs for planning and implementation. E-copy of the guidelines has been uploaded on the websites of ARHC, PMAY-U and MoHUA.**
- ii. A draft Memorandum of Agreement (MoA) has been circulated to all States/UTs to sign with MoHUA. So far, 20 States/ UTs have signed the MoA with MoHUA and the Ministry is pursuing with remaining States/UTs to sign it at the earliest.**
- iii. A model Request for Proposal (RFP) has been shared with States/UTs for selection of Concessionaire to develop existing Government funded vacant housing complexes to be used as ARHCs for a period of 25 years under Repair/Retrofit, Develop, Operate and Transfer (RDOT) on Public Private Partnership (PPP) Mode.**
- iv. Expression of Interest (Eoi) has been prepared for shortlisting of Public/Private Entities for construction of ARHCs on their own vacant land.**
- v. A sustained and focused Information Education and Communication (IEC) strategy for outreach and off take of ARHCs has been prepared. A whiteboard animation on ARHCs along with various brochures, leaflets and other communication materials have been designed and shared with the stakeholders.**

- (e): M/o HUA has conducted a comprehensive feasibility analysis of this Scheme through a series of consultations with concerned Central Ministries/Departments, States/UTs and other stakeholders from Private/ Public Sector and launched ARHCs scheme for urban migrants/ poor as a sub-scheme under PMAY-U. These ARHCs are driven by necessities to provide dignified living to urban migrants/poor. The complexes will be repaired/retrofitted/constructed by Public/ Private bodies using their own resources. This scheme has been envisaged to create a conducive ecosystem by incentivizing Public/ Private Entities to leverage investment for creating affordable rental housing stock thereby supporting the overall economic development.**
- (f): In order to encourage Private players to participate in this scheme and make the projects financially viable, following incentives benefits have been provisioned by Government of India and State/UT Governments have been proposed as mentioned below:**
- i. Exemption of Income Tax on any profits and gains derived from operation of ARHCs on similar lines as that of 'Affordable Housing' under section 80-IBA of Income Tax Act, 1961;**
  - ii. Exemption of GST on any profits and gains derived from operation of ARHCs at par with rental services of residential premises, vide Notification No. 12 of 2017- Central Tax (Rate) dated 28<sup>th</sup> June 2017;**
  - iii. Project finance/loan at lower interest rate through concessional window under Affordable Housing Fund (AHF) by Housing Finance Companies (HFCs) and Priority Sector Lending (PSL) by Commercial Banks;**
  - iv. Provision of "Use Permission" changes for houses on vacant land, if needed;**
  - v. 50% additional Floor Area Ratio (FAR)/ Floor Space Index (FSI) free of cost;**
  - vi. Single window approval of design/ drawings and other statutory approvals within 30 days;**
  - vii. Necessary trunk infrastructure facilities like road, sanitation services, water, sewerage/septage, drainage, electricity etc. up to the project site without any additional cost to Entity;**

- viii. Municipal services such as water supply, electricity, house/ property tax, sewerage/ septage charge etc. for operation of ARHCs will be levied at par with residential projects; and**
  - ix. Additional grant in the form of Technology Innovation Grant (TIG) is provisioned by MoHUA for using innovative, sustainable, green and disaster-resilient technologies as well as building materials for cost effective, faster and quality construction of ARHCs. The TIG of Rs. 60,000/- per house (Single Bedroom), Rs. 1,00,000/- per house (Double Bedroom) and Rs. 20,000/-per Dormitory Bed will be provided as per the Scheme Guidelines.**
- (g): No, Sir. States/UTs are currently under process of identifying such projects in cities which are readily available for converting into ARHCs after making them livable.**

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