



**GOVERNMENT OF KERALA**

**Abstract**

Local Self Government Department - Affordable Rental Housing Complexes - Signing Memorandum of Agreement(MoA) between State Government and MoHUA for Implementation of Affordable Rental Housing Complexes(ARHCs) - Agreed - Orders Issued

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**LOCAL SELF GOVERNMENT (DC) DEPARTMENT**

**G.O.(Rt)No.1857/2020/LSGD** Dated,Thiruvananthapuram, 09/10/2020

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Read 1 D.O. letter No. N 11022/51/2020-HFA-V-UD/FTS-9088338 dated 17/07/2020 from Ministry of Housing and Urban Affairs

2 Note No. 5694/N-2020/KSHO dated 24/08/2020 from Executive Director, Kudumbashree

**ORDER**

As per the D.O. letter read as 1st paper above, the Ministry of Housing and Urban Affairs have informed that in line with 'Atma Nirbhar Bharat', MoHUA has launched scheme for Affordable Rental Housing Complexes(ARHCs),which aims to provide dignified and quality living to Urban Migrants/poor close to their work place at affordable rent.

The main Objective of the scheme is to achieve the overall objective of "Housing for All" encompassing the need of affordable rental housing for urban migrants/ poor. The Beneficiaries of ARHCs will be from Economically Weaker Section(EWS)/ Low Income Group (LIG) who are urban migrants/poor which include labour, urban poor (street vendors, rickshaw pullers, other service providers etc.), migrant workers, industrial workers etc, long term tourists / visitors, students or any other persons of such category.

The scheme will be implemented through the following models:

Model 1 - Converting existing Government (Central/State) funded vacant houses into ARHCs under PPP Mode or by public agencies through Concession Agreement.

Model 2 - Construction, Operation & Maintenance of ARHCs by Public/Private Entities on their own available vacant land.

The Funding Pattern is as detailed below:

Model-1:

- The required investment will be made by Concessionaire which would be recovered through rental income during the concession period.
- Financial viability analysis of ARHCs shows that there is no requirement of funds as Viability Gap Fund(VGF). Therefore, no additional financial requirement from Gol has been provisioned.
- In case VGF is required, States/Uts will utilize Central Assistance released for JnNURM/RAY projects along with their corresponding matching share. Additional funds required as VGF, will be borne by States/UTs from their own resources.
- If VGF is not required, States/Uts shall refund the entire unutilized Central Assistance released along with interest accrued to MoHUA,.
- If the required amount of VGF is less than the amount of Central Assistance and corresponding States/UTs share, then the remaining unutilized amount shall be refunded to MoHUA.

Model-2:

- The required investment will be made by Entity which would income be recovered through rental during the project period of 25 years.

- MoHUA has provisioned for an additional grant in the form of Technology Innovation Grant (TIG) under Technology Sub-Mission (TSM) for the project using innovative & alternate technology construction.
- TIG of Rs. 1,00,000/- per dwelling unit in case of double bedroom (up to 60 sqm carpet area), Rs. 60,000/- per dwelling unit (up to 30 sqm carpet area) in case of single bedroom and Rs.20,000 per Dormitory bed (upto 10 sqm Carpet area) shall be released.
- TIG will be applicable only for projects using innovative and alternate technologies and sanctioned during the PMAY (U) Mission period .

The fund release mechanism will be as per existing guidelines of PMAY (U)-LIFE Scheme. After approval of MoHUA, Building Materials and Technology Promotion Council (BMTPC) will release funds to Entities. BMTPC will submit Project Completion Certificate to MoHUA before the release of final instalment to Entities.

#### Expected outcome

- Decent living environment for Urban migrants/poor with all civic amenities in proximity to their work place.
- Sustained workforce & increased productivity.
- Effective utilisation of vacant land by private/public entities.
- Prevention of growth of slums.
- Use of innovative construction technology.

#### Incentives to be provided by Government of India

- Exemption in income tax & GST on any profit & gains from ARHCs
- Technology Innovative Grant (TIG) for promoting use of innovative construction technology.
- Project finance/loan at lower interest rate under Affordable Housing Fund (AHF) & Priority Sector Lending (PSL).

As per the letter read as 2nd paper above, the Executive Director, Kudumbashree has informed that a Memorandum of Agreement (MoA) is required to be signed between the State Government and Ministry of Housing and Urban Affairs, GoI to establish the basis and

structure of collaboration for the purpose of implementation of ARHCs.

Government have examined the matter in detail and are pleased to accord consent for signing Memorandum of Agreement(MoA) between State Government and MoHUA in Government of India for the purpose of implementation of Affordable Rental Housing Complexes(ARHCs).

(By order of the Governor)  
**BISHWANATH SINHA IAS**  
**PRINCIPAL SECRETARY**

To:

Secretary, Ministry of Housing and Urban Affairs, GoI, New Delhi

Executive Director, Kudumbashree

The Principal Accountant General (Audit/ A&E/ LBA &A)

The Information Officer, (Web & New Media) I&PRD

Executive Director, IKM

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Section Officer