

**GOVERNMENT OF INDIA
HOUSING AND URBAN POVERTY ALLEVIATION
LOK SABHA**

STARRED QUESTION NO:326
ANSWERED ON:20.03.2013
HOUSING UNITS FOR UNDER PRMILEGED
Ramasubbu Shri S.

Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:

- (a) whether the States/ private developers are adhering to the advice of the Government to reserve a certain percentage of dwelling units for Economically Weaker Sections (EWS) and Lower Income Groups (LIG);
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether some of the States/private developers have raised any objection in this regard;
- (d) if so, the details thereof, State-wise and the reasons therefor; and
- (e) the action taken/being taken by the Government in this regard?

Answer

THE MINISTER OF HOUSING & URBAN POVERTY ALLEVIATION (SHRI AJAY MAKEN)

(a) to (e) : A Statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 326 FOR 20.3.2013 REGARDING HOUSING UNITS FOR UNDER PRIVILEGED

(a) and (b) : The Ministry of Housing and Urban Poverty Alleviation, Government of India through the National Urban Housing and Habitat Policy (NUHHP), 2007 provides that '10 to 15 percent of land in every new public/private housing project or 20 to 25 percent of FAR / Floor Space Index (FSI) whichever is greater will be reserved for EWS/LIG housing through appropriate legal stipulations and special incentives'. This requirement is one of the reforms under the Jawaharlal Nehru Urban Renewal Mission (JNNURM) and Rajiv AwasYojana (RAY) of the Ministry mandating 'Earmarking of at-least 25% of developed land in all housing projects (developed by both public and private agencies) for EWS/LIG categories through a system of cross subsidization'. Out of the 65 JNNURM mission cities, 62 cities in 29 States have already made provision / issued policy directives for reservation of developed land for EWS/LIG categories. The remaining 3 cities (2 States) are also reported to have initiated the process to adopt the requisite provisions. The Government has also extended the period of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) comprising BSUP and IHSDP components beyond 31.3.2012 for a period of two years till 31st March 2014 to facilitate completion of sanctioned projects and implementation of reforms.

(c) to (e): Feedback on JNNURM based on State visits/reviews indicate that the implementation of the reform relating to earmarking at least 20-25% of developed land in all housing projects (both public and private Agencies) for EWS/LIG category with a system of cross-subsidization has been found to be a very difficult reform in practice – regarded as not feasible by most states. There is a demand to reduce the reservation percentage for land for housing the poor as no amount of cross-subsidisation would be able to ensure such reservation when land values are exorbitantly high.

The review meetings with Real Estate Developers have also indicated reluctance on part of private developers to reserve the stipulated percentage of dwelling units for EWS/LIG category as the projects are not found viable and profitable to them.

Based on the feedback received from States and Private Developers, my ministry has proposed the scheme of RAY, the EFC note for which is under inter-ministerial consultation, wherein it is stipulated that as in the case of JNNURM I, access to funds under RAY would be contingent upon implementation of reforms critical to slum improvement and poverty alleviation by the States and ULBs as per the timelines agreed upon by them. One of the mandatory reforms suggested is Reservation of 15% of residential Floor Area Ratio (FAR) / Floor Space Index (FSI) or 35% of dwelling units for EWS/LIG categories whichever is higher, with a system of cross-subsidisation in all future housing projects in accordance with guidelines to be prescribed; where States/UTs have reserved land as per reforms under JNNURM I and such reservation is superior to 15% of residential FAR/FSI or 35% of dwelling units for EWS/LIG category whichever is more, this reform will not apply. In case, it is inferior, then reservation at land development approval stage and housing development project approval stage should together amount to at least "15% of residential FAR/FSI or 35% of Dwelling units whichever is more".