

## Minutes of the Meeting

<b>Topic</b>	Round Table on the Affordable Housing Policy (Urban) of Uttar Pradesh
<b>Date</b>	February 02nd , 2018
<b>Venue</b>	Indira Gandhi Kala Kendra, Noida
<b>Chair</b>	Shri. Mukul Singhal, IAS ( Addl. Chief Secretary , Housing and Urban Planning Department , Govt. of Uttar Pradesh )
<b>Synopsis</b>	<p>The objective of the roundtable discussion was to explore innovative solutions to increase the uptake of the state's recent policy (scheme) to develop affordable housing in partnership (AHP with private developers). The participants included key stakeholders such as bureaucrats from state and local governments, development organisations, developers, architects, financing organisations, infrastructure lenders, consultants and media.</p> <p>A few other issues discussed were suggestions to further incentivize private developers to build affordable housing projects, explore long term funding for housing in Uttar Pradesh, and form groups for consultation on policy implementation.</p> <p><u>Key Outcomes of the Meeting :</u></p> <ol style="list-style-type: none"> <li>1. IHF will facilitate the formation of a technical expert group during February-March 2018, to develop models for increasing participation through AHP. DFID will be recruiting for, and funding, the entire initiative.</li> <li>2. A consultation group will be set up to advice the state department with respect to superior scheme implementation. The group will include representatives from the state government, the National Housing Bank (NHB), Housing Finance Companies (HFCs), 2-3 Developers, architects and IIFCL.</li> </ol>

1. The Hon'ble Chair Shri. Mukul Singhal, IAS , Addl. Chief Secretary , Housing and Urban Planning Department , Govt. of Uttar Pradesh opened the discussions by setting the context to this session.
2. The discussion began with a summarised presentation by Shri Anil Mishra, Senior Town Planner (STP) of the UP Government on the Affordable Housing Policy (Urban) of Uttar Pradesh.
  - a. The presentation highlighted key features of the policy such as the nodal agency, prerequisites and construction parameters, beneficiaries and their targeting, bidding parameters and process, planning norms to be adhered to and the institutional framework governing the implementation of the policy.
  - b. It was mentioned that the state government does not want to build ghettos of low-cost or budget houses in far flung locations but rather aspirational homes that EWS households would want to live in with air, light, water and all modern amenities in mixed-income neighbourhoods. It was clarified that the policy should be interpreted as a specific scheme to achieve the state's target for building housing stock of 5 lakh dwelling units for EWS households under AHP, at the lowest post-subsidy price point of Rs 2 lakh per unit. Ms. Aditi Rajyalaxmi of DFID noted that Rajasthan had also started out with a pre-subsidy price of Rs 2- 3 lakhs per unit but could not sustain developer interest and eventually increased the unit price to Rs 5 lakh per unit.

- e. It was mentioned that so far the state has held two rounds of bidding through which the state government has received technically qualified bids to build a total of about 10,000 units. The first round of bidding conducted in December attracted technically qualified bids for 2,500 houses and the second round of bidding attracted technically qualified bids for 7,805 houses.
3. This discussion was followed by a presentation by Ms. Ishani Mehta, Independent Consultant on the key features of the affordable housing policies from four states - Bihar, Gujarat, Odisha and Rajasthan. The main points were that all policies have three or more formats for private developers to participate in AHP, which allows developers to pick formats according their priorities and needs. Another key point highlighted was the need for fast track clearances (within 30 days) through an online single window mechanism, such as in Gujarat and Rajasthan. Other ideas discussed included looking at master plans to include pre-approved affordable housing zones, as well as setting up and utilizing a state shelter fund for developing and maintaining affordable housing through functional RWAs, especially since it is unrealistic to assume ULBs will have bandwidth for housing maintenance.
4. Ms. Jayshree Kurup of Magic Bricks highlighted the importance of rental housing over permanent ownership for the EWS target population that has jobs that require them to be highly mobile between cities. This view was echoed by Ms. Rajyalaxmi based on learnings from Tamil Nadu. The need for a structured rental housing policy at the state level was raised.
5. This was followed by a presentation by Mr. Anuj Agarwal, Architect on multiple design layouts for group housing schemes based on the planning norms prescribed by the current policy of the state. There was a lack of agreement on the ground coverage required to accommodate 200 EWS homes per hectare as per the policy. A need was noted for both parties to work together to reconcile the number. There was also a discussion on costing of units given geographical and urbanization constraints. For example, a number/parameter that work in Noida may not work out to be same/viable at Bareilly.
6. The next point of discussion was led by representatives of IIFCL, represented by Mr. Gaurav Kumar and Mr. Rakesh Kumar (General Managers), and IIFCL Projects Limited, represented by Mr. Akshat Johri. The discussion was focused on understanding the mechanism for long-term funding of infrastructure projects and the impact of according infrastructure status to affordable housing, qualifying the sector for long-term lines of credit. Certain prerequisites required in the state policy to enable access to long term debt structuring for affordable housing projects were shared with the group, including competitive bidding using any bidding parameters (grant or annuity model), an assured cash flow over a long term (10-12 years) through a SPV, an escrow account to hold the cash flows, a better articulated policy (preferably tabulated) that is comprehensible to all stakeholders, 50 per cent area for units with carpet area under 60 sq. m, and a ceiling pricing indexed to inflation and revised every 2 years. The eight PPP models shared in the PPP Policy of MoHUA were referred to. The group also discussed financing options for affordable housing projects executed on conventional 2-3 year cycles, particularly for viability gap funding for such projects. HFCs engaged in such funding in other states like Tamil Nadu were highlighted.
7. There was discussion on the role of technologies in reducing the cost of building and making mass production of affordable housing viable. It was suggested that demonstration and pilot projects that work would help build optimism among all stakeholders, while including alternate technologies within contracts would encourage bigger developers who have achieved success with such technologies to participate in bidding. Some cases of alternate technology success were shared

including BMTPC project in Lucknow, 20-30 prefabricated homes in Andhra Pradesh, Sobha Green Acres in Bangalore, Supertech Housing in Noida (using precast members such as stairs), and Provident by Puravankara. It was also suggested that including prefabrication technologies into the standard of rates would help in their quick adoption. It was further suggested that some standardised designs should be included within the bidding document.

8. Finally, Mr. Manikandan KP of IHF defined the road ahead based on the discussions of the group.
  - a. Creating Multi-Model approach in consultation with a Task Force
  - b. Making use of the Infrastructure Status
  - c. Support for Access to Housing Finance Companies

### **Conclusions:**

1. We have policy from government .The need is to do more action oriented scheme which is more biddable
2. Need suggestions for 2-3 multi-model formats that can be simultaneously directed as action oriented schemes in line with the policy.
3. Single window online system with fast track approvals can bring a better a pedigree of developers.
4. Formation of a Technical Assistance Committee (TAC) supported by DFID under the guidance of a small group at state government comprising officials under CTP, Lucknow.
5. Create a parallel discussion with housing finance companies
6. Create a buffer group which is multi-stakeholder to validate further policy directions (DFID, NHB, IHF, IIFCL, Architect, Developer(two actual bidders), HFC, NAREDCO UP, CREDAI UP)

### Task Outcomes with Timelines

1	Minutes to be shared with Relevant Stakeholders	06 Feb 2018
2	Request Proposal of Technical Assistance (TA) to DFID	07 Feb 2018
3	DFID Response on Process	11 Feb 2018
4	Engagement of Consultant by DFID	26 Feb 2018
5	Forming of the Task Force : 1. From Uttar Pradesh Govt.: a. CTP b. One Finance Specialist c. Technical Specialist 2. NHB Nominee 3. IIFCL Nominee 4. One Housing Finance Company active in Project Financing 5. Architect 6. 2 Developers who were the first two to bid successfully	16 Feb 2018
6	First Draft Report - tentatively 3 weeks from start of contract with consultant	18 March 2018
7	Review on Consultation	25 March 2018

### List of Attendees

<b><u>Sl.NO</u></b>	<b><u>Name</u></b>	<b><u>Designation</u></b>	<b><u>Organization</u></b>
1	Shri.Mukul Singhal , IAS	Addl. Chief Secretary	Housing and Urban Planning Department, Govt. of Uttar Pradesh
2	Dr. Surendra Kumar	Vice Chairman	Bareilly Development Authority, Bareilly UP
3	Vishal Singh	Vice Chairman	Varanasi Development Authority, Varanasi UP
4	K. Vijayendra Pandian	Vice Chairman	Kanpur Development Authority, Kanpur UP
5	Ravindra Godbole	Secretary	Ghaziabad Development Authority Ghaziabad UP
6	Ishtiyak Ahmed	Chief Town Planner	Ghaziabad Development Authority Ghaziabad UP
7	Jayashree Kurup	Editor	Magicbricks.com
8	Neha Agarwal	Senior Manager	Magicbricks.com
9	Nitish Srivastava	Senior Architect	Anuj Agarwal Architects
10	Anuj Agarwal	CEO	Anuj Agarwal Architects
11	Rahul Mandil	Manager	Landcraft Developers
12	Lavish Bharadwaj	Manager	Landcraft Developers
13	Mayank Kalsom	Manager	IIFCL
14	Gaurav Kumar	General Manager	IIFCL
15	Rakesh Kumar	General Manager	IIFCL
16	Akshat Johri	Manager	IIFCL Projects Limited
17	Ishani Mehta	Ind. Consultant	
18	Aditi Rajyalaxmi	Program Manager	DFID, Govt. of UK
19	Sumesh Ghirotra	Pvt. Sector Adviser	DFID, Govt. of UK
20	Raghav Garg	Member	Haryana Housing Board
21	Vishal Goyal	DGM	National Housing Bank
22	Manikandan KP	CEO	Indian Housing Federation
23	Sam Solomon	Program Manager	Indian Housing Federation