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Abstract

This paper presents a policy framework for affordable housing, emphasizing increased access and government involvement. It outlines strategies such as optimizing land use through higher Floor Area Ratios, resolving land titling issues, and utilizing government-held lands for housing projects. The paper discusses removing procedural obstacles, supporting subsidies for low-income households, and the need for coordinated urban and transport planning. Evaluating initiatives like Housing for All by 2022 and Rajiv Awas Yojana, the study critiques existing policies for their limited impact on the broader population and calls for fundamental changes. By advocating for a holistic approach, the paper aims to enhance access to affordable housing and promote effective government participation in policy implementation.

Keywords: Framework, Policies, Government, Housing

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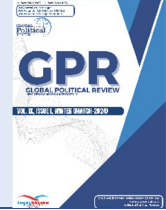
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Framework for Policies on Affordable Housing: Expanding Access and Government Involvement

Abstract

This paper presents a policy framework for affordable housing, emphasizing increased access and government involvement. It outlines strategies such as optimizing land use through higher Floor Area Ratios, resolving land titling issues, and utilizing government-held lands for housing projects. The paper discusses removing procedural obstacles, supporting subsidies for low-income households, and the need for coordinated urban and transport planning. Evaluating initiatives like Housing for All by 2022 and Rajiv Awas Yojana, the study critiques existing policies for their limited impact on the broader population and calls for fundamental changes. By advocating for a holistic approach, the paper aims to enhance access to affordable housing and promote effective government participation in policy implementation.

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Introduction

Affordable housing is just one of the keystones to pacifying rising urbanization and socio-economic inequalities in India. The government has initiated a raft of policies aimed at expanding the scope of the official market and stripping construction of procedural bottlenecks, all while ensuring prudent government involvement. This article delves into the strategies required to achieve affordable housing for all, with a focus on key policies such as the "Housing for All 2022" initiative.

Expanding the Official Market:

Expanding Available Land

The scarcity of land is a significant barrier to affordable housing. Strategies such as increasing Floor Area Ratio (FAR) and Floor Space Index (FSI) can allow for more built-up areas per unit of land, effectively increasing housing availability (ADB, [2022](#)).



Using the Torrens System to settle land title disputes is an additional strategy, that ensures secure land titles and recognizes squatters' rights, enabling them to convert these rights into occupancy rights or transfer them to more appropriate locations (Sengupta, [2015](#)).

The government can also leverage its vast land holdings, particularly in central locations, for affordable housing projects. Bid-based FSI and rights transfer mechanisms can prevent windfall gains to private landowners, ensuring that public resources are used for public good (Shatkin, [2016](#)).

Removing Procedural Bottlenecks for Construction

Issuing Tenure Rights:

Granting transferable tenure rights to squatters can lead to investments in improving living conditions, thereby enhancing the quality of life for marginalized communities (Bhan et al., [2019](#)).

Direct subsidies should be provided to individuals who, even in the most strongly prosperous markets cannot afford housing, ensuring that housing remains accessible to all income groups (Sengupta, [2015](#)).

To make housing affordable, taxes on poor and middle-income segments should be minimized, while high-end properties could be taxed to cross-subsidize public housing initiatives (Sivam, [2002](#)).

Prudent Government Involvement:

Direct Housing Provision

Those who are unable to afford housing should continue to receive it directly from the government, and specific market failings in land and planning for cities should be acknowledged and addressed (Bhan et al., [2019](#)).

Coordinating urban and transport planning with housing development can enhance the locational value of projects, making housing more accessible and sustainable (ADB, [2022](#)).

Housing for All 2022:

Government's Commitment:

The "Housing for All 2022" policy, as articulated in the President's speech and MoHUPA reports, outlines the government's commitment to ensuring

every family has access to a pucca house with essential amenities (MoHUPA, [2015](#)).

The policy categorizes the housing shortage into four segments: slum dwellers, urban poor in non-slum areas, prospective migrants, and the homeless, ensuring targeted interventions for each group (MoHUPA, [2015](#)).

Essential Elements of Universal Housing: Slum Dweller Policy

The slum policy has been divided into sections for the impoverished areas in private, public, and unapproved colonies. The policy advocates for in-situ redevelopment in a private partnership mode with land as a resource. The move will allow a higher floor space index for commercial use (Shatkin, [2016](#)).

Their regularization and improvement of basic municipal services in unauthorized colonies are crying needs with measures of relocating slums from hazardous sites such as riverbeds or forests (Sivam, [2002](#)).

It is now necessary to address the crisis in affordable housing, and India requires a multi-faceted approach that opens up market access, rehabs construction bottlenecks, and ensures prudent government involvement. Policies pertinent to this direction would be "Humbaihan 2022" and strategic use of government land with private partnerships. A sound and inclusive legal framework forms the very base of the goals towards making affordable housing accessible to all sections of society

Evaluation of Housing for All by 2022 Scheme

The "Housing for All by 2022" policy endeavors to address the housing deficit through the optimum exploitation of government land and the development of affordable housing. This paper evaluates the effectiveness of this policy in terms of its usage of government land, property rights issues, land transfer policies, and other associated features.

Use of Government Land

The HFA-2022 policy aims to make government-owned land free by sectioning portions off for affordable houses and commercial use (Mohan, [2018](#)). While this policy may increase the supply of low-cost housing, it would help if there is a

qualifying policy clause that requires any government department or agency with huge tracts of idle land to dedicate the same for public use or housing development (Kumar & Chandra, 2020). Building affordable housing projects on government-owned land, instead of releasing the property into the open market, could potentially lead to an increase in the number of affordable housing units available (Bhan et al., 2019).

Property Rights, Litigation, and Disputed Land

The HFA-2022 policy has tried to overcome property rights-related challenges by providing more FSI on private land while retaining the same plot for affordable housing (Sivam, 2002). The policy, however, does not bring out the issue of tenure rights of the existing slum residents as a key factor contributing to substandard living conditions (Sengupta, 2015).

Limited Land Transfer Policies

The policy is aimed at simplification of land transfer laws and permissions from agricultural to non-agricultural uses act as a significant barrier to development (Mohan, 2018). The policy is aimed at simplification of land transfer laws and permissions from agricultural to non-agricultural uses act as a significant barrier to development (Shatkin, 2016).

FAR Norms

HFA-2022 proposes higher FAR norms for affordable housing projects to incentivize private developers (Kumar & Chandra, 2020). However, the policy does not address the broader issue of reduced FAR across other properties, which could affect the land supply for housing (Sivam, 2002).

Land Utilization Regulations

The policy lacks a comprehensive approach to general land use policies and the role of local bodies in determining land use (Sengupta, 2015). A more detailed framework for land utilization could enhance the effectiveness of the policy.

Rajiv Awas Yojana (RAY)

Eliminating slums and integrating them into the official system is the goal of the Rajiv Awas Yojana (RAY). It is divided into two stages: the 2013

completion of the preparatory phase and the 2022–2022 implementation phase (Mohan, 2018). RAY addresses slum legalization and integration, but the focus here is on policy modifications rather than implementation details (Bhan et al., 2019).

Important RAY Features:

Strategies for Slum Intervention

RAY incorporates strategies that would help improve the condition of the slum, such as the conversion of kuchha to pucca housing, in-situ rehabilitation, and resettlement (Shatkin, 2016). These strategies subsequently proceed to the full satisfaction of the immediate and long-term needs of the people living in the slum.

Strategies for Preventing Slums

The plan will look at the supply-side constraints and rental housing restrictions to improve accessibility in the sector (Kumar & Chandra, 2020). The plan seeks to address different issues on the demand side in terms of loan availability and microfinance growth (Mohan, 2018).

Partnership Scheme for Affordable Housing:

In the partnership scheme, each and every dwelling unit up to 40 m² is subsidized, and developers are burdened with the allocation of a space of FSI (Sivam, 2003). Thus the commercial and affordable housing needs are balanced.

Transfer of Leasing Rights

The new policy proposes granting leasing rights to long-term slum-dwellers that are inheritable and mortgageable; the female member of the household could get the title deeds in her name (Bhan et al., 2019).

Cross-financing and Developer Incentives

The future arrangements for housing projects have to provide for a percentage of FSI for Economically Weaker Sections (EWS) and Lower Income Groups (LIG) (Shatkin, 2016).

Reforms to State Policies

1. Land Bank Establishment: States are encouraged to establish land banks for affordable housing (Mohan, 2018).

2. Approval Procedures: Simplifying the approval process and imposing time constraints can expedite housing projects (Sengupta, [2015](#)).
3. Nominal Stamp Duty: Reducing stamp duty for EWS and LIG housing aims to lower costs and facilitate affordable housing development (Kumar & Chandra, [2020](#)).

Modifications to the Master Plan

Acknowledge impoverished districts and slums as having a non-conforming but acceptable land use status (Ghosh & Kar, [2021](#)). Low-lying terrain, lakes, and regions adjacent to companies that produce pollution are not included in the coverage (Nair, [2018](#)). Residential or mixed-use designations would be applied to such acknowledged tenable areas (Sivam, [2002](#)).

Simplifying the Construction Bylaws and Sanctioning Procedures

1. One window approval for bylaws and building sanctions (Sharma, [2017](#)).
2. An online procedure will be implemented (Agarwal, [2020](#)).

Increasing credit availability

1. Interest-Subsidy Scheme for Housing the Urban Poor, Rajiv Rinn Yojana:
2. A five percent interest subsidy on long-term (15–20 year) loans (Sengupta, [2015](#)).
3. A 5 lakh EWS ceiling and an 8 lakh LIG ceiling (Kumar & Chandra, [2020](#)).
4. Credit Risk Guarantee Fund (CRGF): Up to 85% of loans made to EWS/LIG are covered (Bhan et al., [2019](#)).

An Assessment of the RAY Scheme

The RAY program is assessed using the "framework for policies on affordable housing" (Mohan, [2018](#)).

Use of Public Land

The creation of a land bank as part of the RAY's "State policy reforms" could undoubtedly free up some public property for use in affordable housing developments (Sivam, [2002](#)).

Reducing restrictive government regulations and eliminating procedural obstacles:

The affordable housing policy's procedural obstacles are targeted by the slum intervention

policy measure (Shatkin, [2016](#)). It also aims to address the issue of demand-side (Ghosh & Kar, [2021](#)). The demand side issue is less serious, though (Agarwal, [2020](#)).

In India's cities, accessibility to loans is less important than affordability. RAY's "state policy reforms" aim to eliminate obstacles in the way of affordable housing developments exclusively (Nair, [2018](#)). Simplifying the procedure for merely affordable housing, however, is not likely to have a major effect on the availability of land (Sengupta, [2015](#)). It is necessary to eliminate procedural inefficiencies on a systemic level (Bhan et al., [2019](#)). The RAY scheme's credit policy addresses the problem from the demand side, which isn't as big of a deal in India (Kumar & Chandra, [2020](#)).

Taxation of Affordable Housing Projects

According to the KPMG report "Decoding Housing for All 2022" (KPMG, [2014](#)), taxes account for around 35% of the project's total cost. Therefore, the modest stamp duty assessment may have a big effect on the price of affordable homes (Mohan, [2018](#)).

Raising FAR

RAY addresses this issue in part by suggesting in its cross-subsidization plan that developers adhere to more lenient FAR standards (Ghosh & Kar, [2021](#)). Although low FARs and density limits are addressed by such relaxations, it is not the most effective way to solve the issue (Sharma, [2017](#)). The cross-subsidization in high-end projects counteracts the price decrease brought about by FAR and density relaxations (Agarwal, [2020](#)). When FAR relaxations apply to all kinds of housing projects, they will be effective (Sivam, [2002](#)).

Housing Subsidies for the Impoverished

The "Affordable Housing through Partnership" initiative will make it possible for housing societies to grow efficiently by providing subsidies to people who are unable to access housing on the official market (Nair, [2018](#)). Government cost: The "affordable housing in partnership" program avoids the substantial costs associated with a direct housing policy (Kumar & Chandra, [2020](#)).

Tenure Rights

RAY actively addresses the issue of lease assignment

(Bhan et al., 2019). Lease rights assignment will address the serious issue of tenants underinvesting in their living spaces (Shatkin, 2016). Additionally, this will lessen obstacles in their property transfers and boost housing market liquidity (Mohan, 2018). Tenure rights: By recognizing tenable land titles, the RAY "Master Plan amendments" also address the question of tenure rights for slum communities (Sengupta, 2015).

Prime Minister Narendra Modi introduced the Pradhan Mantri Awas Yojana (PMAY), a landmark housing initiative, in June 2015 with the goal of giving middle-class and impoverished Indian households access to affordable housing (Kumar & Chandra, 2020). Former Indian Prime Minister Rajiv Gandhi had previously launched a similar program, known as the "Indira Awas Yojana," in 1985 under the name of former Prime Minister Indira Gandhi (Bhan et al., 2019).

One of the main challenges facing the federal and state governments is the rapidly increasing number of people moving into cities in pursuit of employment from rural areas in their home states or other countries, which is causing a housing crisis and unfavorable living circumstances in metropolitan areas (Sengupta, 2015). The Pradhan Mantri Awas Yojana (PMAY) scheme's main goal is to raise the standard of living for the nation's lower-income and economically disadvantaged population by providing homes for all of its intended beneficiaries (Ghosh & Kar, 2021). A meager attempt has been made in the current study to provide an overview of the PMAY program in India using only secondary data (Nair, 2018). Along with food and clothing, housing is one of the essential needs for human survival (Mohan, 2018). Despite 75 years of self-governance, India still faces very serious housing shortages while the population is fast-growing in urban areas. Simultaneous with the increased urbanization came the rural-urban migration. The strain on housing resources is already increasing due to migration and inadequate infrastructure. Another factor that worsens the urban housing situation is rural residents migrating to the cities in pursuit of jobs. There is a heavy influx of migration, putting pressure on the already thin housing infrastructure and resulting in sprawling slums, overcrowding, and inferior living conditions.

Furthermore, the housing imbalance between supply and demand would escalate property values,

hence making them unaffordable for common people. Comprehensive urban planning strategies would be required to overcome all such problems and challenges, including the ones for affordable housing and infrastructure development.

Our Honorable Prime Minister Shri Narendra Modi launched an integrated program on June 25, 2015, known as Pradhan Mantri Awas Yojana—Housing for All, Urban, as a sequel to the existing Rajiv Awas Yojna and Indira Awas Yojna now merged in it. According to the mission statement, this 'Mission of Housing' is purposed to provide houses to all poor people residing in urban areas, particularly dwelling in slums.

Some of the key elements of the PMAY program are as follows, which have been enlisted and explained in the subsequent section.

The key objective of PMAY Urban solely with regard to Housing for All is to make sure every household in urban poor has a pucca house with at least basic necessities. To provide for target beneficiaries in the urban areas, the program mainly serves economically disadvantaged populations, lower-income groups, and middle-income groups respectively.

Under the PMAY Urban, the beneficiaries enjoy subsidized interest rates for house loans that are either taken for the purpose of acquiring a house or building one (Sivam, 2002). The rates for subsidy differ in regard to whichever income category a beneficiary belongs to (Agarwal, 2020). This scheme provides interest subsidies on housing loans to eligible applicants for building, acquisition, or improvement of residential property (Sharma, 2017). These subsidies range from 3% to 6.5% (Nair, 2018).

This program is however supported through various incentives and concessions for affordable housing projects (Mohan, 2018). The program encourages public and private sector organizations to develop and execute affordable housing projects in the country (Sengupta, 2015).

PMAY Urban has provisions for beneficiary-led building, in which qualified recipients use government funds to build their own dwellings. Advanced and sustainable building technologies are encouraged in the program to ensure that housing developments are not only affordable but also of extraordinary quality. Other urban development initiatives like the Mission to Atal for Renewal and Transformation of Urban Life and the Smart City

Mission are merged with PMAY Urban, among others, to ensure maximum synergies in accomplishing some of the comprehensive goals concerning urban development.

It promotes their involvement as co-owners in housing developments to give women more social and economic clout. Cooperation with Urban Local Authorities and States/UTs: PMAY Urban continues

to work in collaboration with urban municipalities, union territories, and state governments to implement the initiative locally. Using online monitoring technologies is known as online monitoring in this housing plan tracking progress, characterization of accountability, and openness throughout the implementation process (Agarwal, [2020](#)).

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