

Public Private Partnership (PPP)



Ministry of Housing and Urban Affairs
Government of India
21/09/2017

Agenda

- List of PPP Models
- PPP Models on Government Land
- PPP Models on Private Land



List of PPP
Models

PPP Models
on Govt. land

PPP Models
on Pvt. Land

PPP Models on Government Land

- 1 Government-land Based Subsidized Housing
- 2 Mixed Development Cross-subsidized Housing
- 3 Annuity Based Subsidized Housing
- 4 DBFMT : Annuity cum Capital Grant based Subsidized Housing
- 5 Direct Relationship Ownership Housing
- 6 Direct Relationship Rental Housing

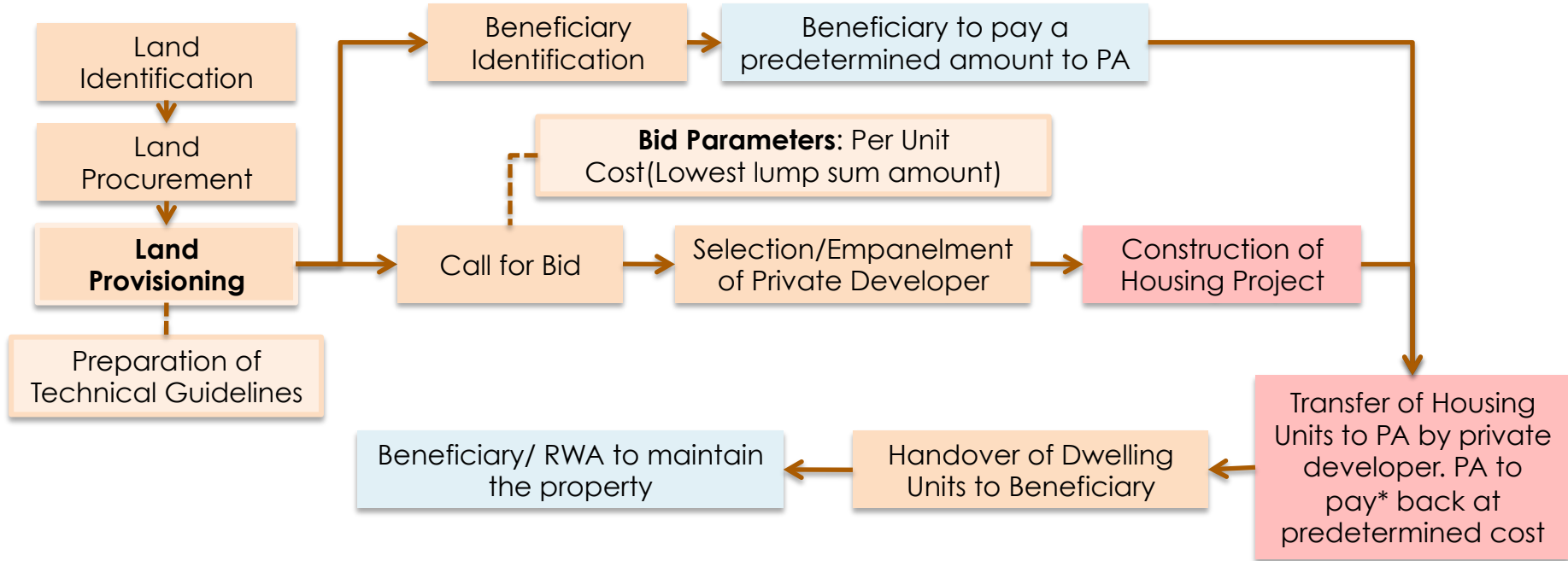
PUBLIC PRIVATE PARTNERSHIP MODELS

PPP Models on Private Land

- A Private-land based Subsidized Housing (CLSS Scheme for EWS/LIG/MIG)
- B Private-land Based Subsidized Housing (AHP Scheme for EWS)

Model 1 - Government-land Based Subsidized Housing

Activity Flowchart



By Public Authority (PA)

By Private Developer

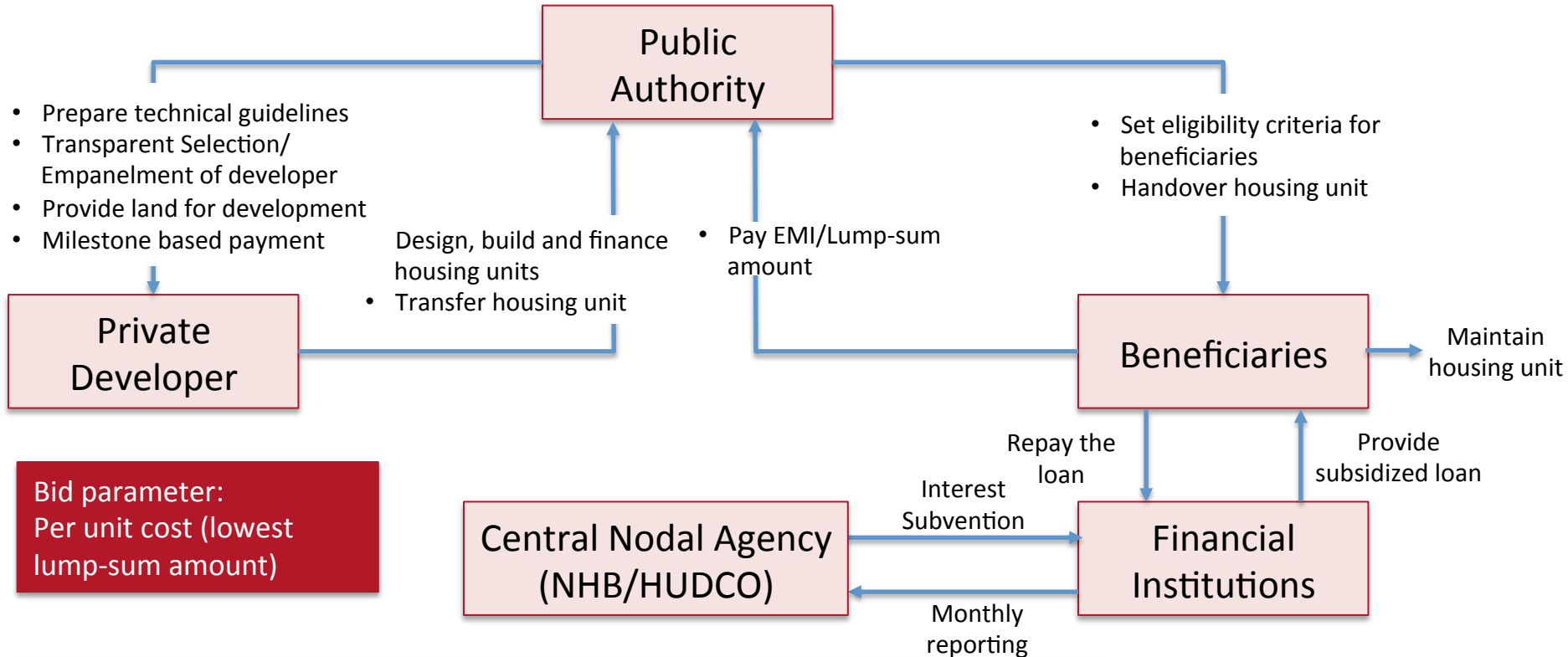
By Beneficiary

Fixed Parameters: Predetermined number of units, area, time and specifications

** The payment by PA to private developer shall be milestone based.*

Project Structure

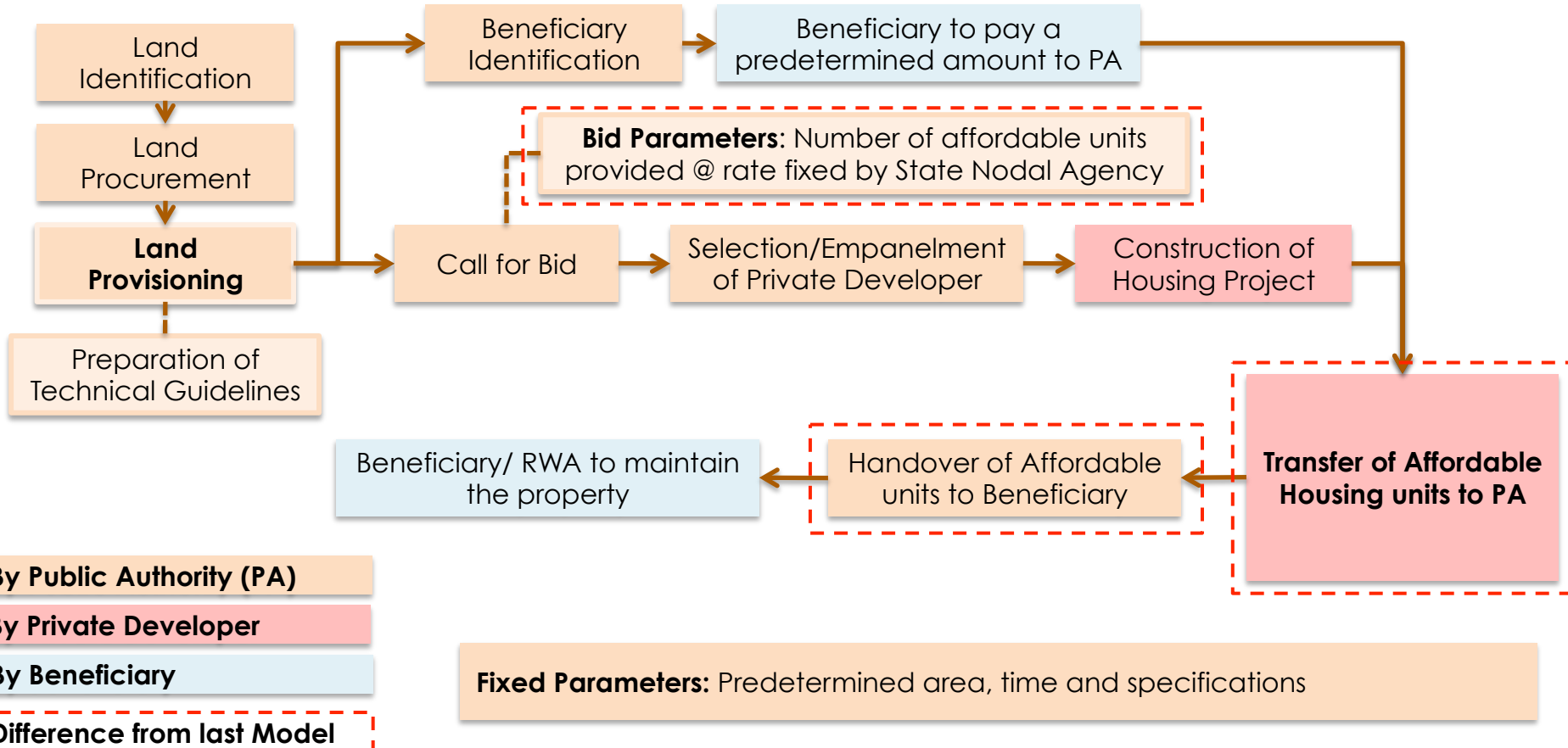
Model 1 - Government-land Based Subsidized Housing



Fixed Parameters: Predetermined number of units, area, time and specifications

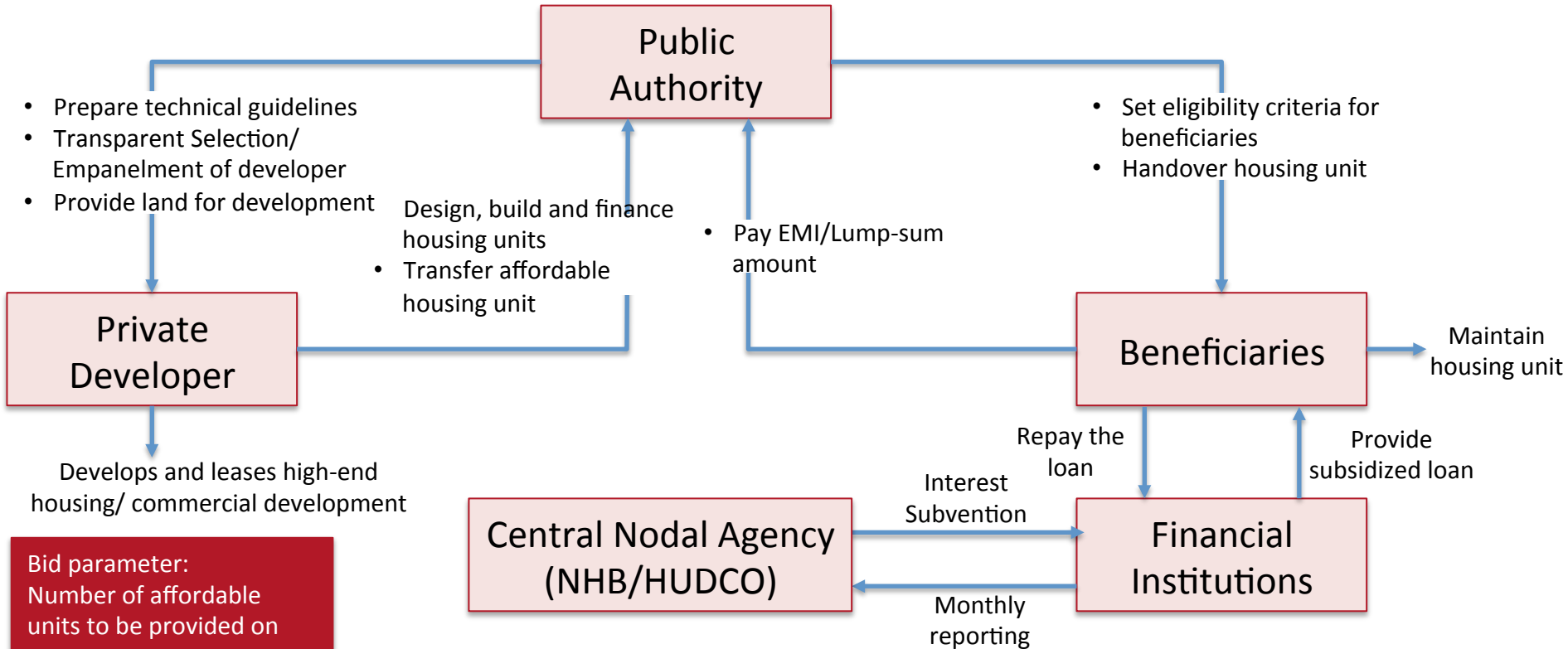
Model 2 - Mixed Development Cross-subsidized Housing

Activity Flowchart



Project Structure

Model 2 - Mixed Development Cross-subsidized Housing

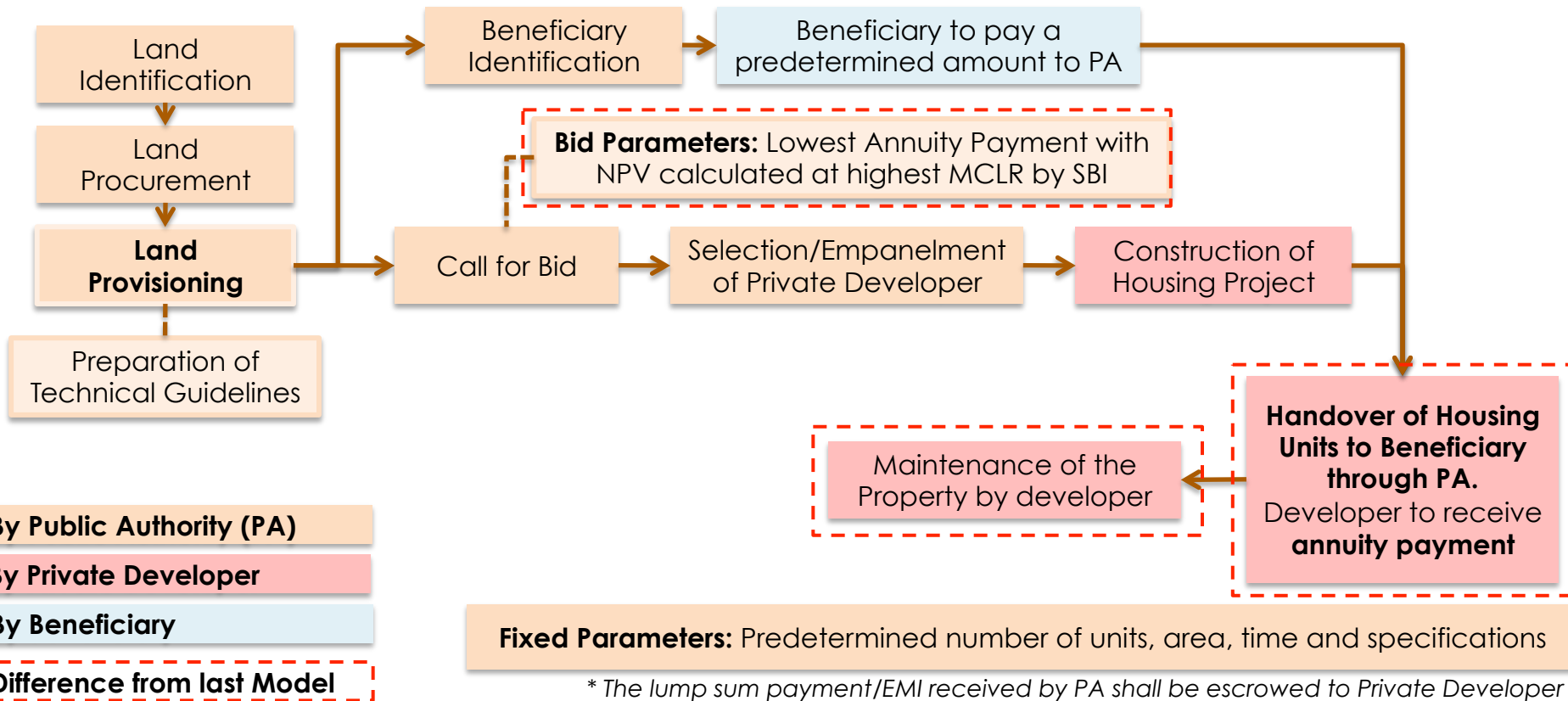


Bid parameter:
Number of affordable units to be provided on given plot at the rate fixed by the State Nodal Agency

Fixed Parameters: Predetermined area, time and specifications

Model 3 - Annuity Based Subsidized Housing

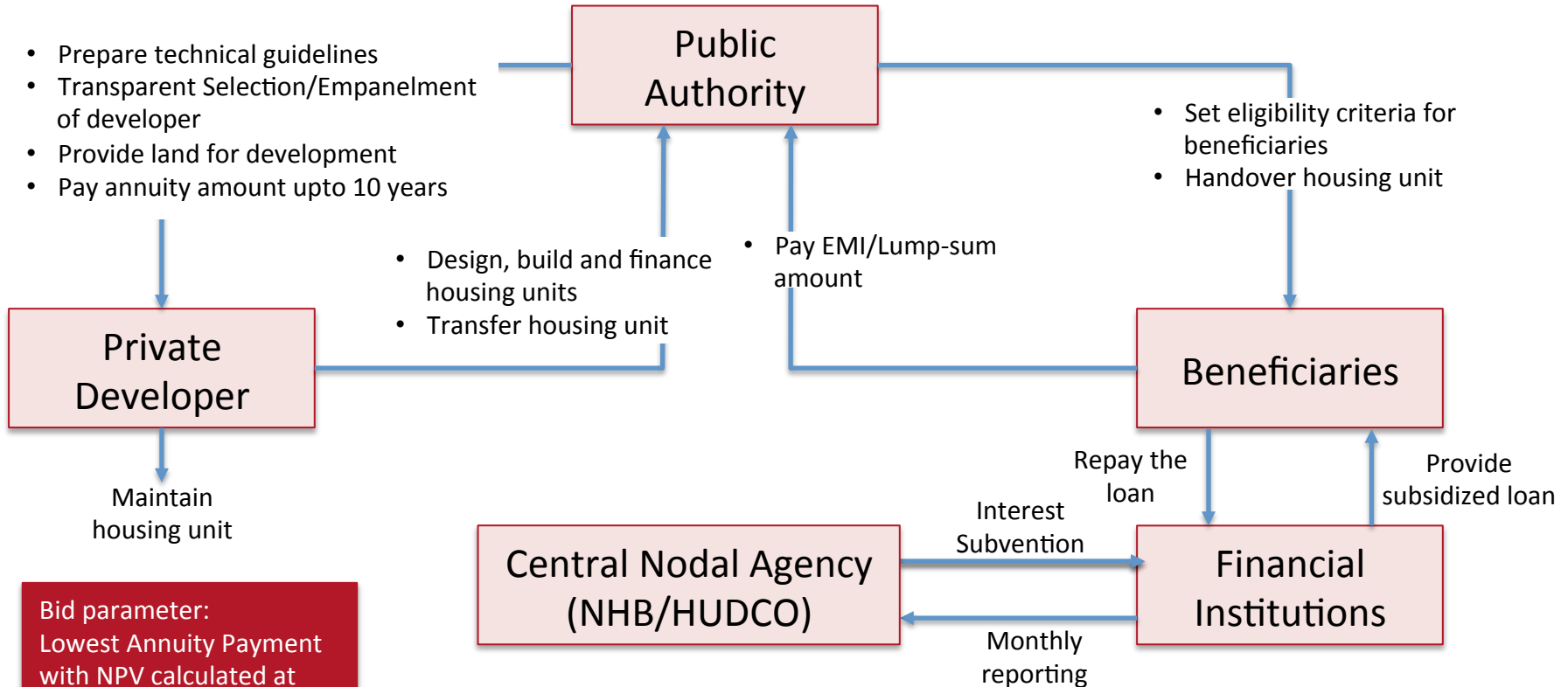
Activity Flowchart



Project Structure

Model 3 - Annuity Based Subsidized Housing

- Prepare technical guidelines
- Transparent Selection/Empanelment of developer
- Provide land for development
- Pay annuity amount upto 10 years

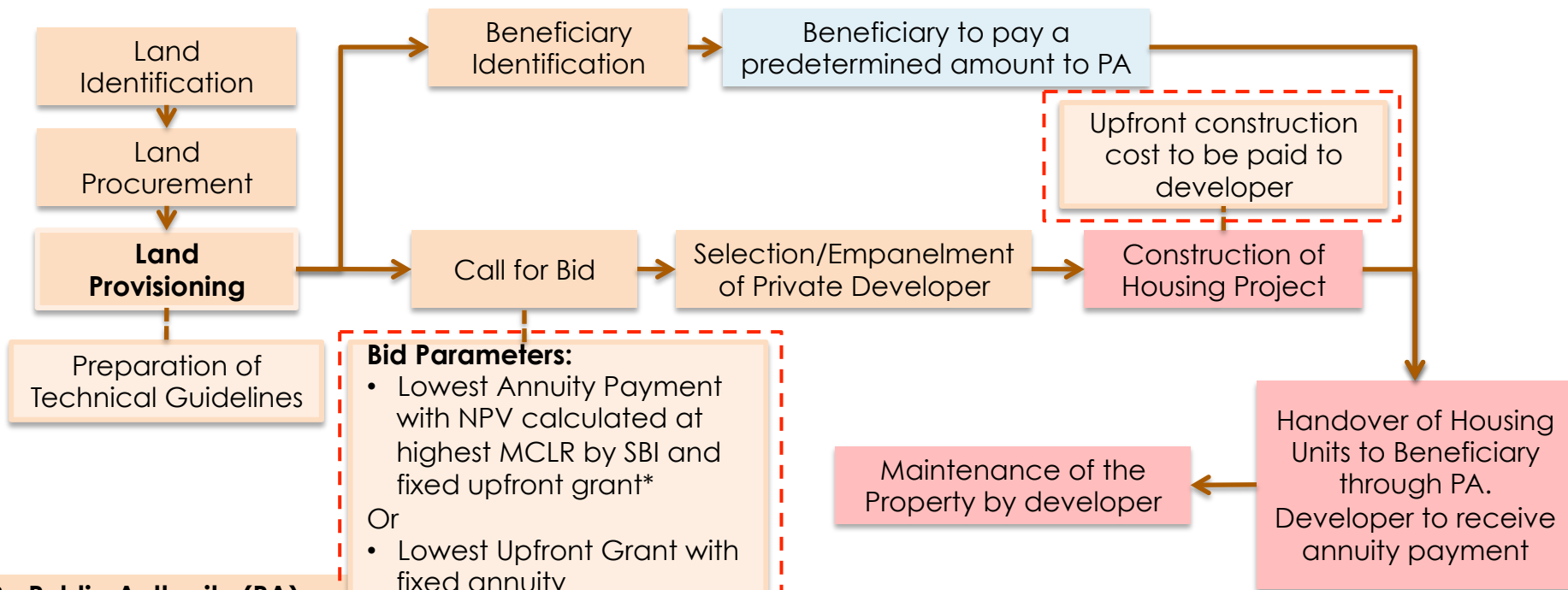


Bid parameter:
Lowest Annuity Payment with NPV calculated at highest MCLR by SBI

Fixed Parameters: Predetermined number of units, area, time and specifications

Model 4 – DBFMT : Annuity cum Capital Grant based Subsidized Housing

Activity Flowchart



Bid Parameters:

- Lowest Annuity Payment with NPV calculated at highest MCLR by SBI and fixed upfront grant*
- Or
- Lowest Upfront Grant with fixed annuity

Fixed Parameters: Predetermined number of units, area, time and specifications

Difference from last Model

*Capital grants payment to the private developer to be milestones-based.

Project Structure

Model 4 – DBFMT : Annuity cum Capital Grant based Subsidized Housing

- Prepare technical guidelines
- Transparent Selection/Empanelment of developer
- Provide land for development
- Pay upfront grant and long-term annuity

Public Authority

- Set eligibility criteria for beneficiaries
- Handover housing unit

- Design, build and finance housing units
- Transfer housing unit

- Pay EMI/Lump-sum amount

Private Developer

Beneficiaries

Maintain housing unit

Repay the loan

Provide subsidized loan

Interest Subvention

Monthly reporting

Central Nodal Agency (NHB/HUDCO)

Financial Institutions

Bid parameter:

- Lowest Annuity Payment with NPV calculated at highest MCLR by SBI and fixed upfront grant

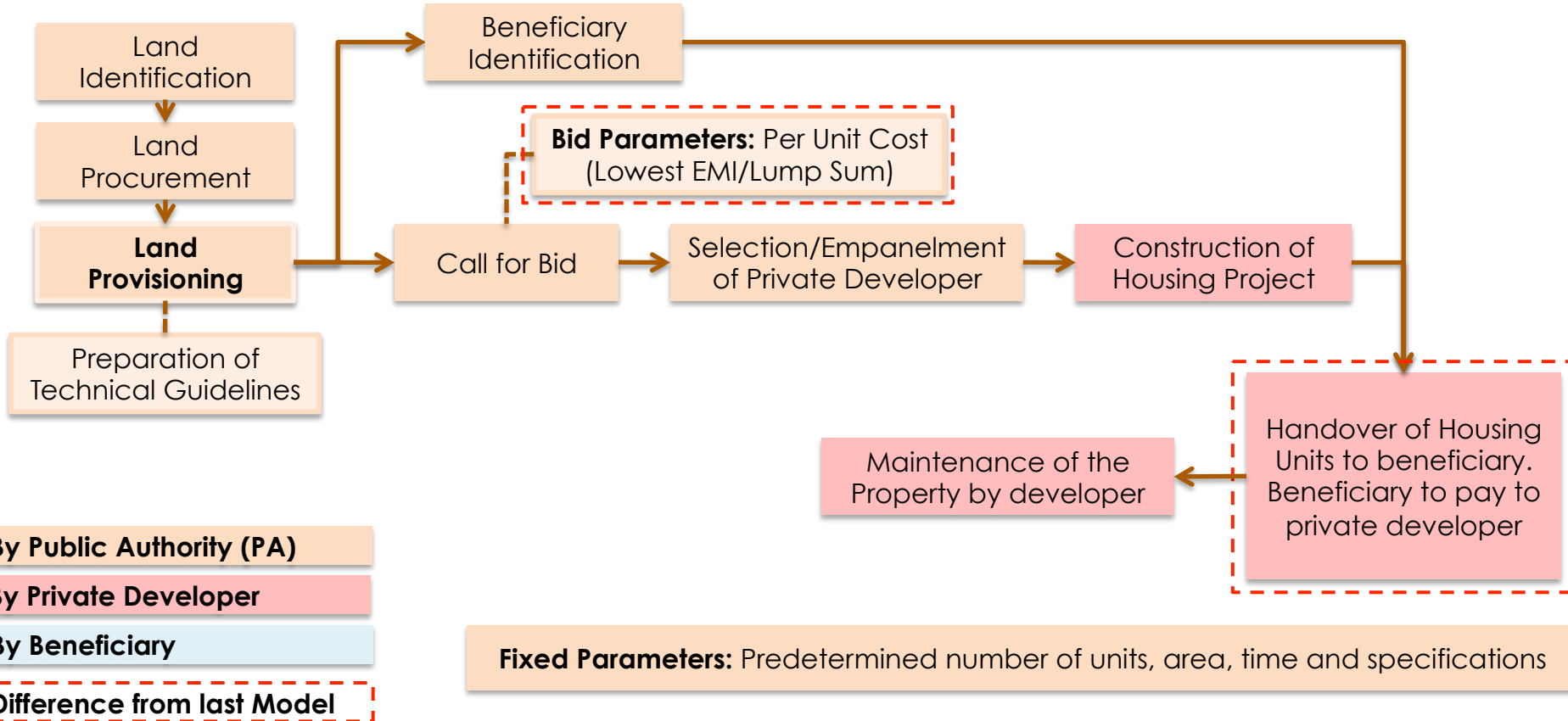
Or

- Lowest Upfront Grant with fixed annuity

Fixed Parameters: Predetermined number of units, area, time and specifications

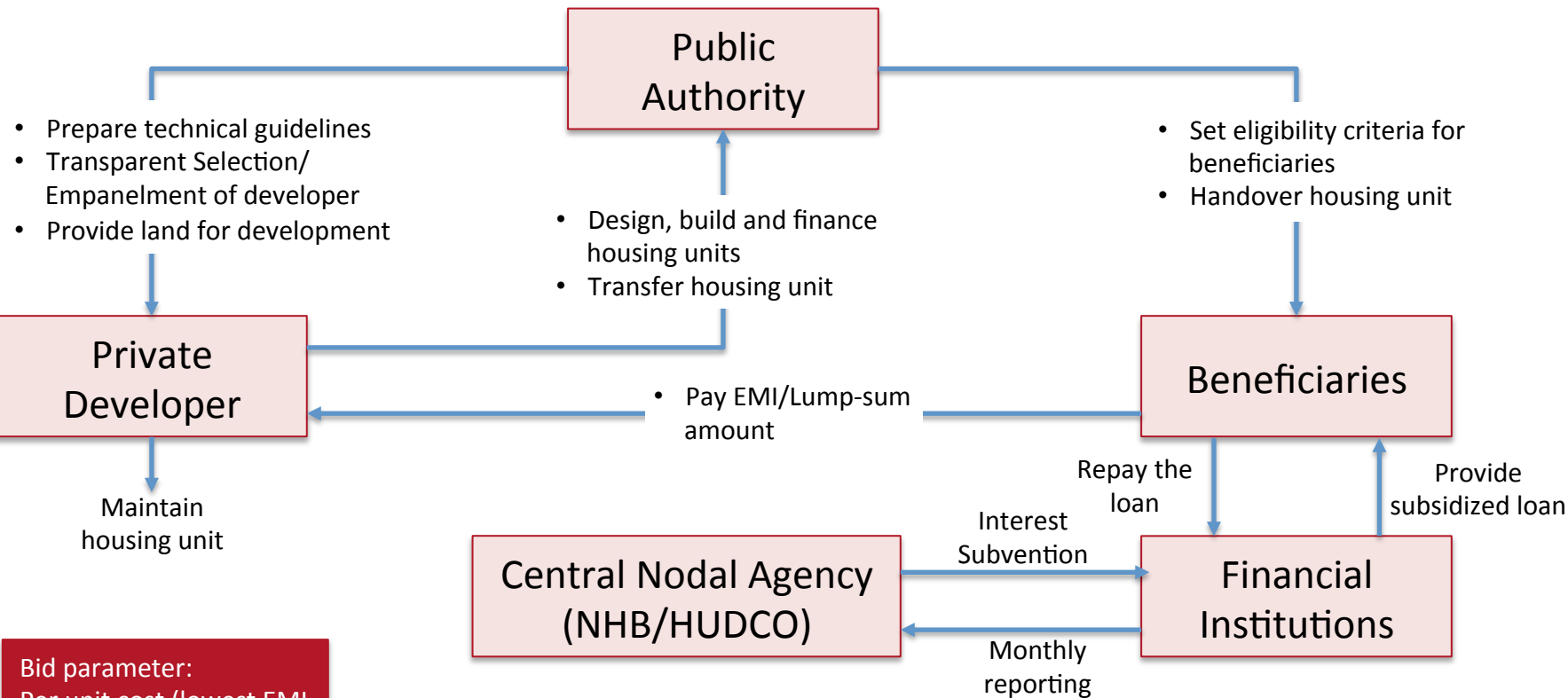
Model 5 – Direct Relationship Ownership Housing

Activity Flowchart



Project Structure

Model 5 – Direct Relationship Ownership Housing

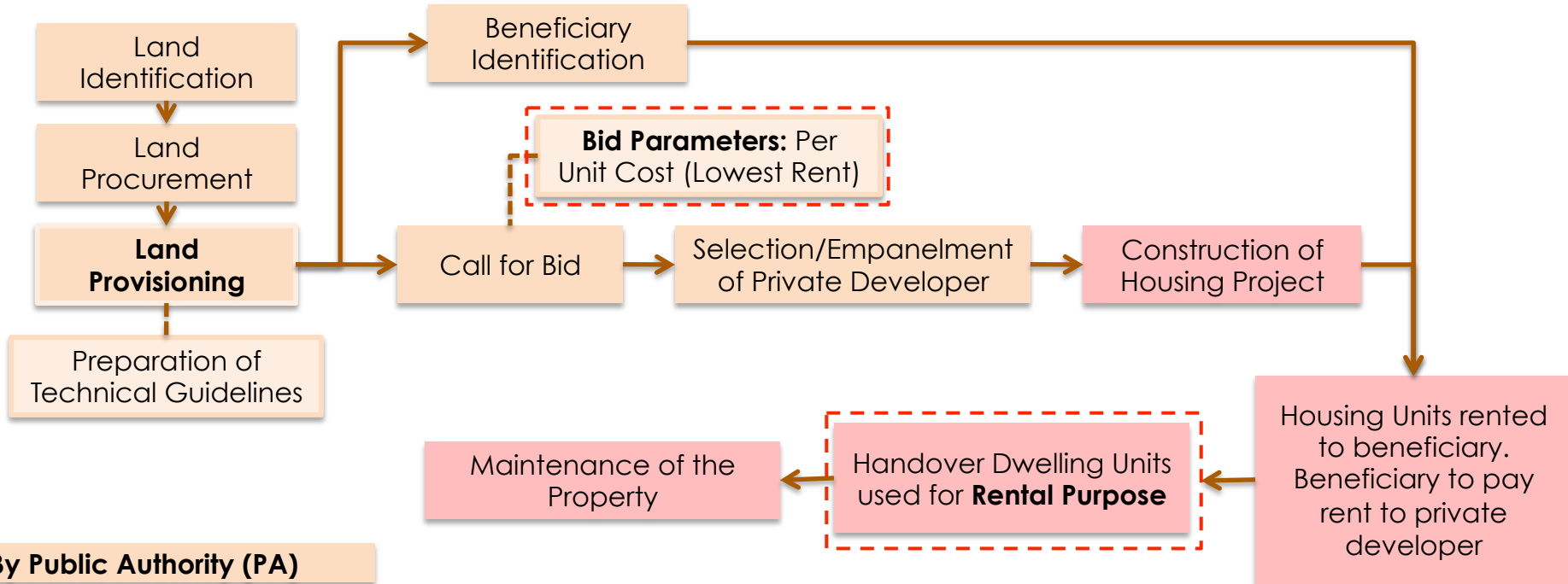


Bid parameter:
Per unit cost (lowest EMI or lowest lump sum)

Fixed Parameters: Predetermined number of units, area, time and specifications

Model 6 – Direct Relationship Rental Housing

Activity Flowchart



By Public Authority (PA)

By Private Developer

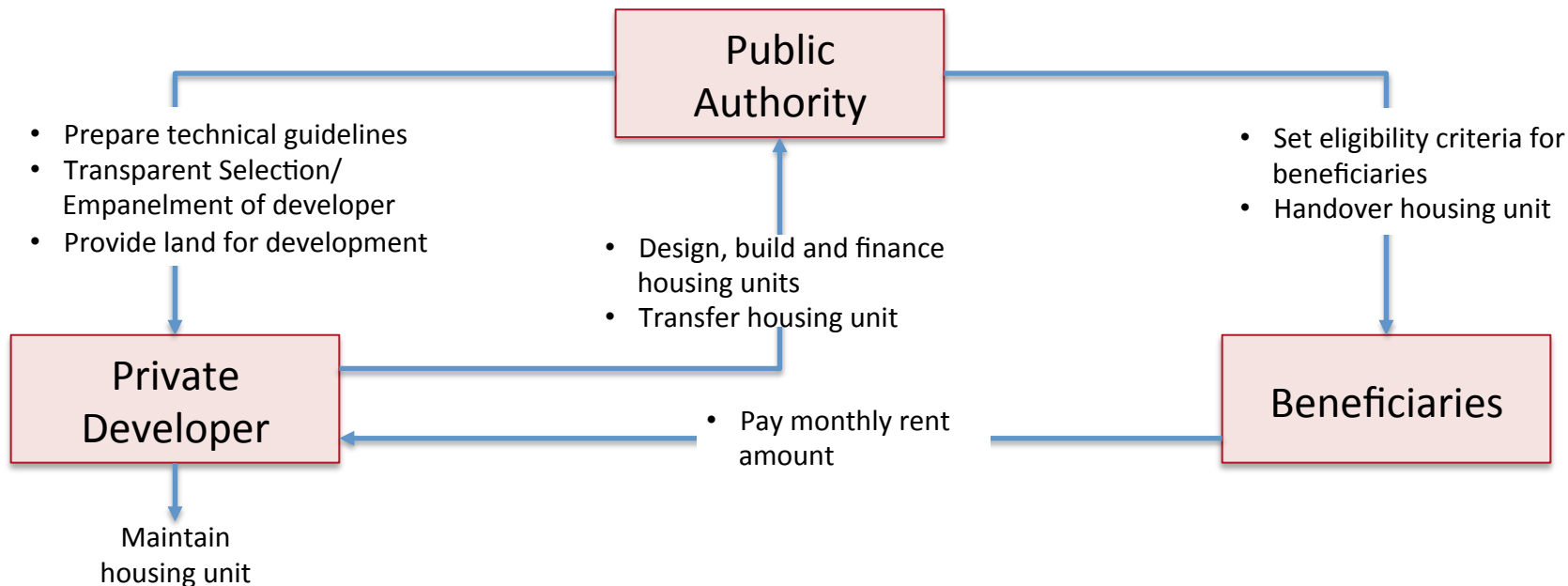
By Beneficiary

Difference from last Model

Fixed Parameters: Predetermined number of units, area, time and specifications

Project Structure

Model 6 – Direct Relationship Rental Housing

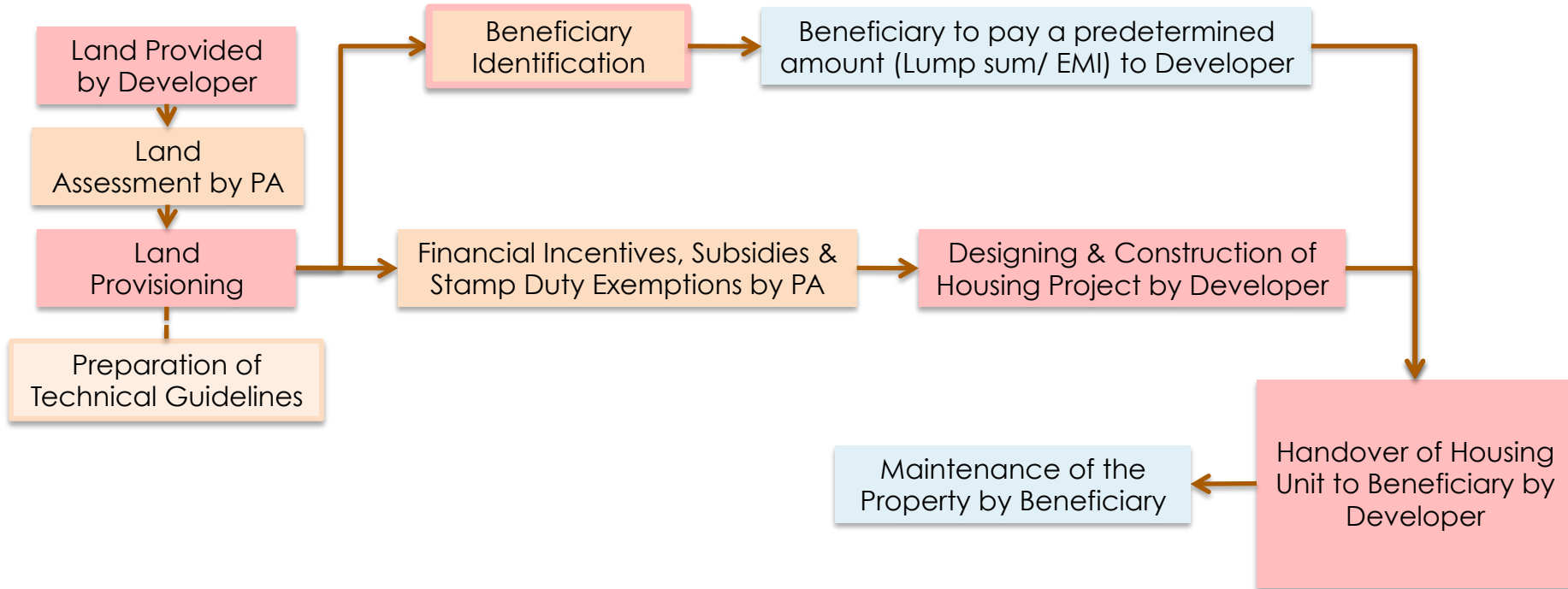


Bid parameter:
Per unit cost (lowest Rent)

Fixed Parameters: Predetermined number of units, area, time and specifications

Model A - Private-land based Subsidized Housing (Taking advantage of CLSS)

Activity Flowchart



By Public Authority (PA)

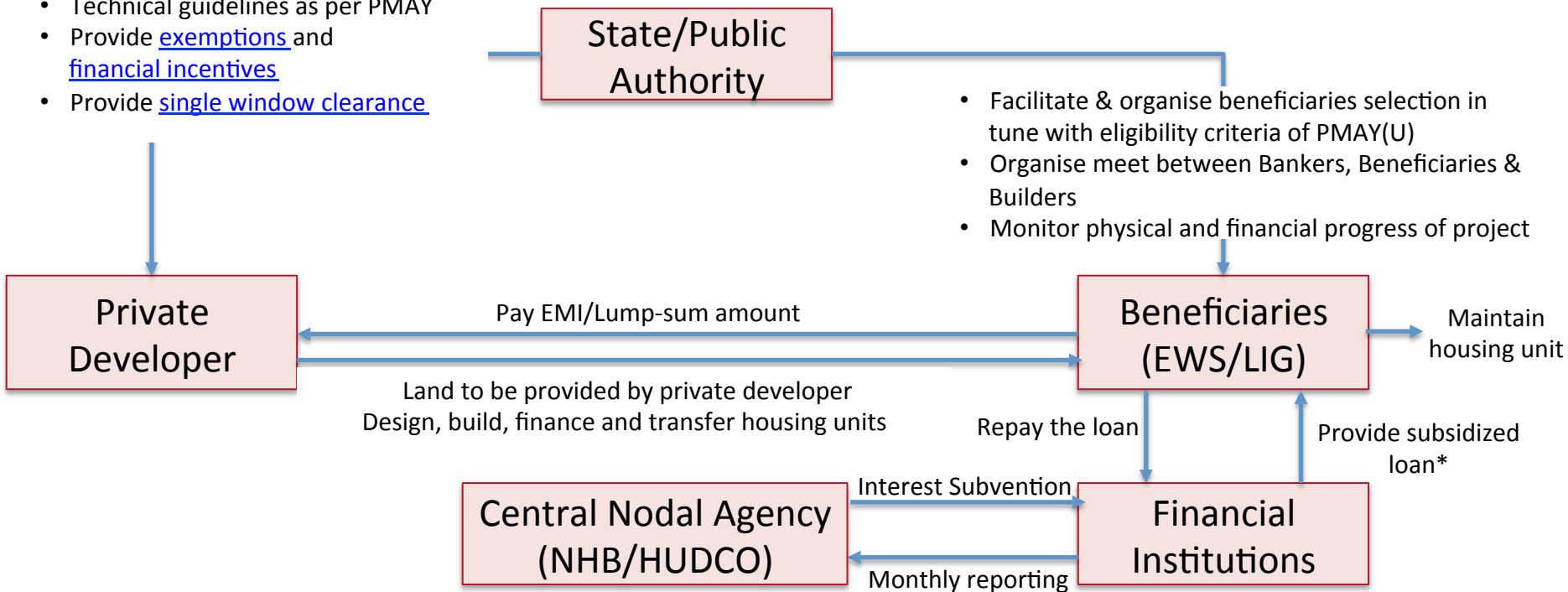
By Private Developer

By Beneficiary

Project Structure

Model A - Private-land based Subsidized Housing (Taking advantage of CLSS)

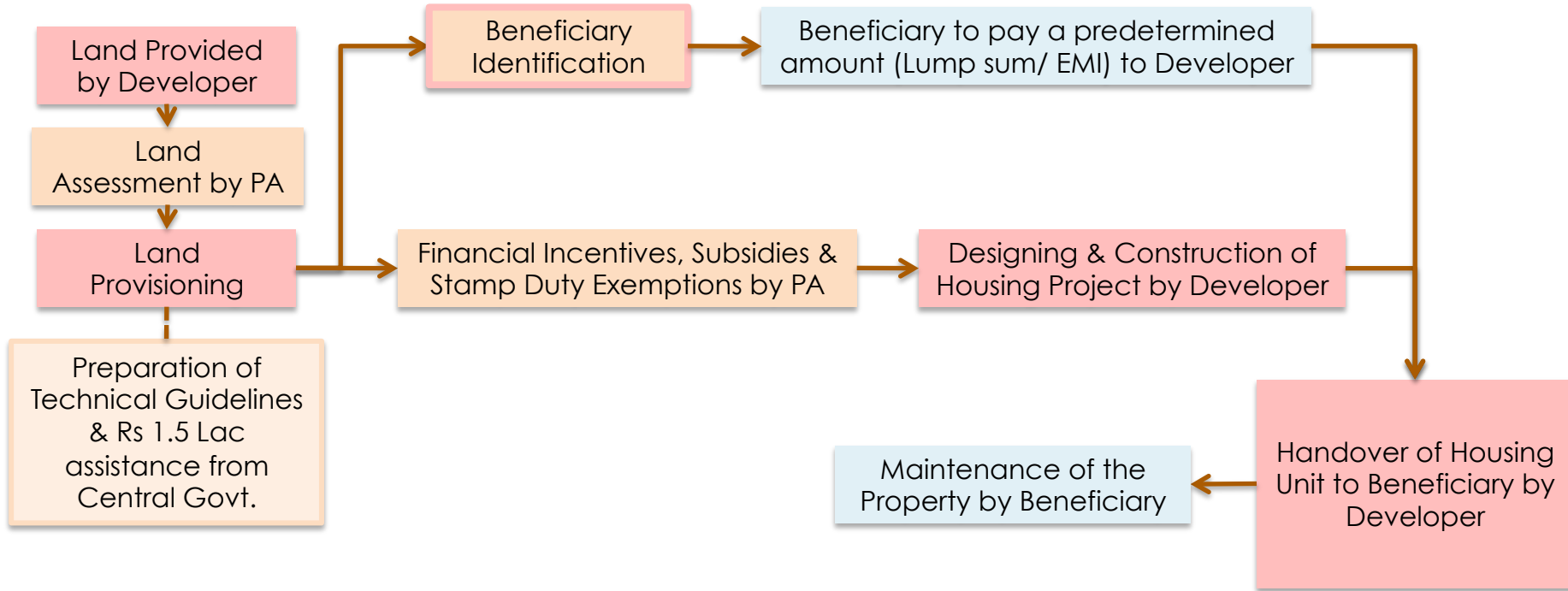
- Technical guidelines as per PMAY
- Provide [exemptions](#) and [financial incentives](#)
- Provide [single window clearance](#)



*CLSS benefits will be available to EWS, LIG and MIG beneficiaries as per the PMAY(U) Guidelines.

Model B - Private-land Based Subsidized Housing (AHP Scheme for EWS)

Activity Flowchart



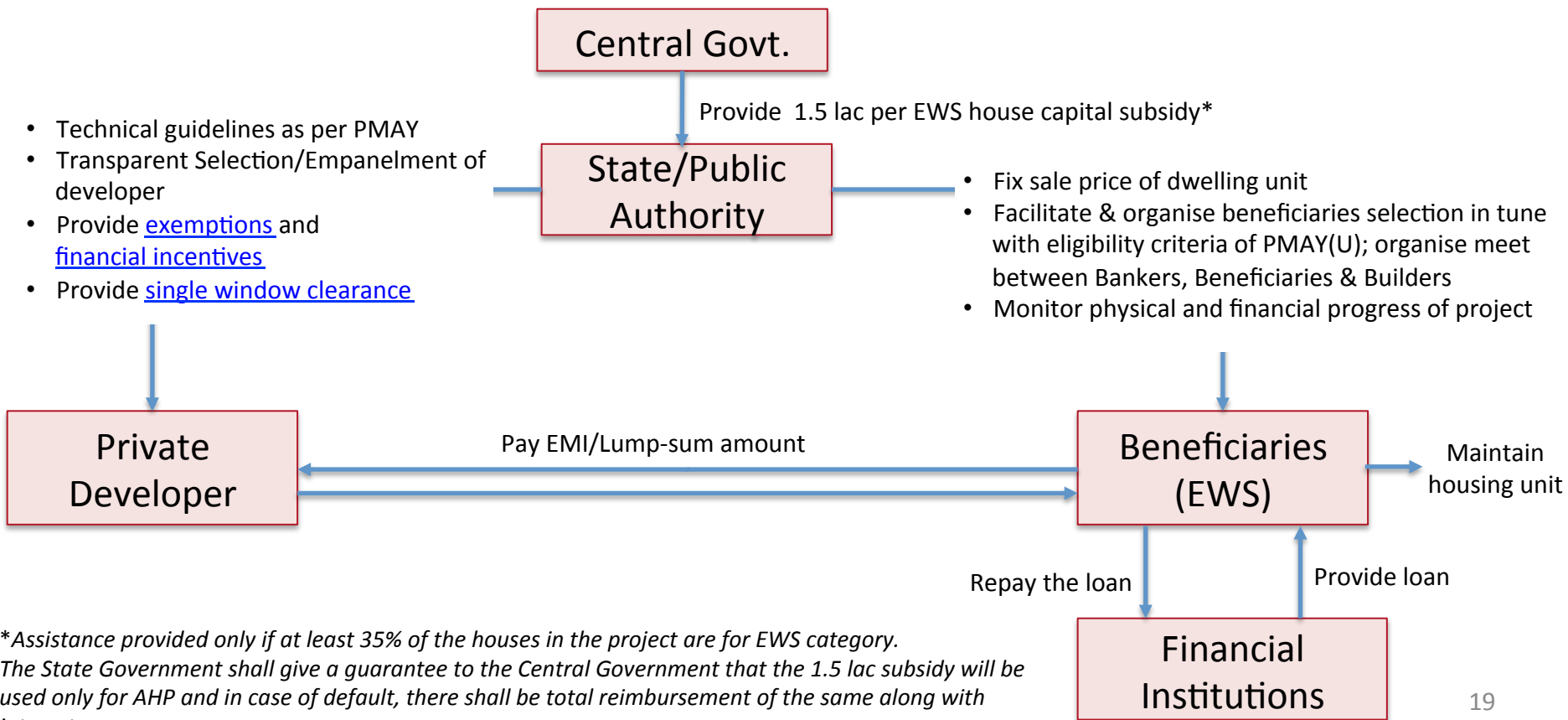
By Public Authority (PA)

By Private Developer

By Beneficiary

Project Structure

Model B - Private-land Based Subsidized Housing (AHP Scheme for EWS)



Public Authorities Role



Exemptions/Concessions

- Stamp duty exemptions
- External/ Internal Development Charges (EDC/IDC) concessions
- Certain percentage of permissible FAR/FSI may be made free for provision of amenity/ commercial development



Financial Incentives

- State Subsidy
- Infrastructure Status
- Benefit of Section 80 IBA of IT Act 1961**
- Reduced fee and charges for usage of innovative/ alternate/ prefab technologies and materials



Single Window Clearance*

- Provision of type designs for EWS/LIG/MIG units as per local climatic conditions
- Provision of fast track approval within 30 days and thereupon deemed approval to such projects

***For Model B - Private-land Based Subsidized Housing (AHP Scheme for EWS), the infrastructure status benefit under Sec 80 IBA of IT Act 1961 will be applicable only if the project has 50% of FAR/FSI dedicated to dwelling units of minimum 60 sq. m. carpet area. Therefore, apart from 35% of houses for EWS, the project would be required to construct remaining percent of FAR in either the EWS/LIG category to qualify for the above benefits.*

For such projects, a combination of Model A and B can also be worked out.

** In the online process of building plan sanctioning, an option may be created for the developer to get single window clearance and other incentives, through automatic route, as prescribed in the PMAY guidelines. This will also enable the States in identifying a PMAY (U) project and creating a database of the same. In turn, it would also help in branding the scheme.*



THANK **Y**OU!

Key features of Guidelines for PPP on private land

Beneficiary Identification

- In Model A (taking advantage of CLSS) the banks, extending loans to the applicants as per the PMAY (U) Guidelines, facilitated by the public authority will establish the eligibility of beneficiaries.
- In Model B (AHP scheme for EWS), allotment of houses to identified eligible EWS beneficiaries in AHP projects should be made, following a transparent procedure as approved by SLSMC, and beneficiaries selected should be part of HFAPoA.

Institutional Mechanism

- For Model B (AHP scheme for EWS): The existing institutional mechanism of SLSMC as per Para 16.4 (for approval of projects) and SLAC as per Para 16.6 (for techno-economic appraisal of DPRs submitted by ULBs/ Implementing Agencies) of the PMAY (U) Guidelines will continue to accord approval to DPRs.

Fixing Sale Price of DU

- For Model B (AHP scheme for EWS): The appropriate authority in State, which is currently fixing the sale price of AHP projects presently being developed with ULBs/ parastatals under PMAY (U) Mission, would continue to do so in this model as well.
- For projects using a combination of Model A and B: As per Scheme Guidelines, a private developer can determine the sale price of LIG or MIG units as a method of cross-subsidisation in lieu of price fixed for EWS units by State agency.