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BACKGROUND NOTE

on

“Housing and Urban Affairs”

(For the use of Members of Parliament)

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INTRODUCTION

In India out of the total population of 1210.2 million as on 1st March, 2011, about 377.1 million are in urban areas. These numbers are expected to increase to 600 million by 2031. The net addition of population in urban areas over the last decade is 91.0 million. The percentage of urban population to the total population of the country stands at 31.6. There has been an increase 3.35 percentage points in the proportion of urban population in the country during 2001-2011. AS per the estimation of the World Urban Prospects (WUP), 2018 the urban population in India at 34% of total population which is likely to be 40% by 2030 and 50% by 2050. Urbanisation is considered as one of the engine of economic growth in India. Thus continuous growth of urban population has further added challenges like Housing, poverty, unemployment, development of health, sanitation, education and infrastructure etc. In this context the role of the Government and the Ministry of Housing and Urban Affairs (MoHUA) is of utmost importance in the implementation of various programmes and schemes to address these basic issues. In this context the Prime Minister of India has said “In India, the present is changing rapidly, at a speed and a scale not known so fast. A ‘New India’ is taking shape”..... “India will experience the largest wave of urbanization in the world in the next two decades. It is a challenge, but also a huge responsibility and opportunity.... Mass Transit, waste management, population control, sustainable habitat and affordable housing are programs of great priority for us”.

The matters pertaining to urban development have been assigned by the Constitution of India to the State Governments. The Constitution (74th Amendment) Act has further delegated many of these functions to the Urban Local Bodies. The constitutional and legal authority of the Govt. of India is limited only to Delhi and other Union Territories and to the subject which State legislatures authorize the Union Parliament to legislate.

However, the Government of India¹ plays a much more important role and exercises a larger influence to shape the policies and programmes of the country as a whole. The national

¹ The Ministry of Housing and Urban Affairs (MoHUA) is the apex authority of Government of India at the national level to formulate policies, sponsor and support programme, coordinate the activities of various Central Ministries, State Governments and other nodal authorities and monitor the programmes concerning all the issues of housing and urban affairs in the country.

policy issues are decided by the Government of India which also allocates resources to the State Governments through various Centrally Sponsored schemes, provides finances through national financial institutions and supports various external assistance programmes for urban development in the country as a whole. The indirect effect of the fiscal, economic and industrial location decisions of the Govt. of India exercise a far more dominant influence on the pattern of urbanisation and real estate investment in the country.

CHALLENGES

The MoUHA implements all the centrally sponsored schemes and also develops and manages metro rail projects across the country.

It is evident that the pace of urbanisation is increasing in the country. As per the 2011 census, around 31% of the country's population resided in urban areas. By 2031, around 600 million (43%) people is expected to live in urban areas, an increase of over 200 million in 20 years. Given the pace of urbanisation, large capital investments are needed for infrastructure projects which includes support from central and state governments in the form of capital grants.

With the current rate of urbanisation, the High Powered Expert Committee (HPEC) for Estimating the Investment Requirements for Urban Infrastructure Services (2011) had estimated a requirement of Rs 39 lakh crore (at 2009-10) prices for the period from 2012-2031. As per their framework, the investment in urban infrastructure should increase from 0.7% of GDP in 2011-12 to 1.1% of GDP by 2031-32. In 2020-21, the estimated expenditure by the Ministry of Housing and Urban Affairs is 0.22% of the GDP.

The Ministry of Finance had noted that budgetary outlays alone will not be enough to service the growing demands on local governments for improving their infrastructure. Alternate sources of financing are required to meet the funding gap. The flagship schemes of the Ministry (such as Smart Cities Mission, Swachh Bharat Mission) seek to meet their financing requirements through a mix of sources such as borrowings, municipal bond financing, and PPPs.

In view of the Budget 2020-21, the Standing Committee on Urban Development, in its report presented on 4 February 2021 observed and admitted the requirements of the Ministry for its undergoing projects. The Committee however apprehended that the ongoing slow down economy arising out of COVID-19 pandemic may badly hit the implementation of prominent urban infrastructure related programmes retarding the investments planned there under. The

Committee, therefore, reiterated that mapping up necessary resources for these prominent Missions be arranged expeditiously .

Urbanization and ecology are interlinked, the former affects every aspects of environment. Land- cover, drainage etc. are fundamentally altered in the process of urbanization and housing. Therefore, it is pertinent to adopt a balanced approach to minimize the side effects. Development of green cover under AMRUT is a step forward in this regard. Green houses should be encouraged as green home uses less energy and water, generates less greenhouse gases, uses materials more efficiently, and produces less waste than a conventional home over its entire life cycle. Latest technology on Waste Management need to be used as and where it is necessary.

BUDGETARY SUPPORT

The Budget Estimates for the Ministry of Housing and Urban Affairs for the year 2021-22 is Rs. 54581.00 Crore (Revenue- Rs. 28821.99 Crore, Capital-25759.01) which is higher than the Union Budget 2020-2021 total allocation of Rs.50,040 crore. Out of the Ministry's total budget for 2021-22, Rs 2,300 crore for the Swachh Bharat Mission-Urban; Rs. 23,500 crore for the projects related to Mass Rapid Transit System (MRTS) and Metro services in the country; Rs 6,450 crore for the Smart Cities Mission; Rs 4,472 crore for the National Capital Region Transport Corporation, which is executing the country's first Regional Rapid Transit System (RRTS) project; Rs 7,300 crore for Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme; Rs 18,000 crores for a new scheme to support augmentation of public bus transport services.

Overall Investment In Urban Rejuvenation (2014 to 2020)

AMRUT	₹1,00,000cr	SBM(U)	₹62,000cr
Smart Cities Mission	₹2,05,018cr	Urban Transport	₹1,81,375cr
HRIDAY	₹500CR	PMAY(U)	₹4,90,083CR

Since the launch of various urban flagship scheme, around ₹ 1,62,165 crore of central assistance has been released during the period 2014-20. It has led to total investment to the tune of Rs 10,45,076 crore in the sector. Total investment estimated for the period 2020-25 is Rs.17,74,167 crore.

WAY FORWARD

The Government of India is committed to the vision of developing new India where towns and cities would function as fulcrum of economic growth. Promotion of ease of living, responsive governance, clean and sustainable environment, rapid economic growth, and livelihood opportunities for the citizens are pathways identified for a vibrant urban India. The Ministry is committed to building cities of the future following a comprehensive, inclusive, participatory, and data driven approach. It aims to scale up urban transformation with our learning in smart cities and all other missions in the nations journey towards US\$5 trillion economy and a New India.

Recently, in February 2021 the MoHUA has launched the National Urban Digital Mission (NUDM) along with other digital initiatives to realize the Prime Minister’s vision of Digital India and AtmaNirbhar Bharat, by making cities more self-reliant. These initiatives certainly aiming to promote inclusive development fulfilling the promise of the Government “Sabka Saath, Sabka Vikas, Sabka Vishwaas”. The MoHUA has aligned all the programmes and schemes to fulfill the commitment of the Government to achieve the Sustainable Development Goals(SDGs) by 2030.

VARIOUS PROGRAMMES AND SCHEMES IN URBAN AND HOUSING SECTOR

Schemes	Vision
Smart Cities Mission	The Smart Cities Mission (SCM) was launched in June 2015 with the objective of promoting cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of ‘Smart’ solutions. The strategic components of Smart Cities’ initiative are Area-Based Development (ABD) involving city improvement (retrofitting), city renewal (redevelopment) and city extension (Greenfield development) and a Pan-city development in which Smart Solutions are applied covering larger parts of the city. It’s a transformational Mission for a paradigm shift to change the urban landscape of the country. The ultimate vision is to work towards making all Indian cities Smart. The year 2020 has seen accelerated project implementation with Smart Cities focusing on grounding and completion of projects. Of the total committed investments of ₹2,05,018 crore as per approved Smart Cities Plans, 5,331 projects worth ₹1,76,059 crore (86% of total) have been tendered so far, work orders have been issued for 4,540 projects worth ₹1,39,969 crore (68% of total) and 2,122 projects have been completed worth ₹34,986 crore (17% of total). The Smart Mission has been given Rs 6,450 crore as against Rs.3,400 crore in the 2020-21 revised estimates.
Atal Mission for Rejuvenation and Urban	This scheme was launched on 25th June, 2015 in 500 cities. Approximately 60% of urban population in the country is covered under AMRUT. The purpose of Atal Mission is to (i) Ensure that every household has access to a tap with the

Transformation (AMRUT)	assured supply of water and a sewerage connection;(ii) Increase the amenity value of cities by developing greenery and well maintained open spaces (e.g. parks); and (iii) Reduce pollution by switching to public transport or constructing facilities for non-motorized transport (e.g. walking and cycling). More than 93 lakh water tap connections and 59 lakh sewer connections under the Mission have been provided so far. By 2023, AMRUT will be able to provide targeted 1.39 crore water tap connections and 1.45 crore sewer connections. Around 15 lakh water tap connections and 9 lakh sewer connections have been provided under the mission since lockdown. The Mission has ensured development of more than 1,755 green spaces& parks and will add 5,400 acres of green spaces through parks by 2023, thus helping in improving environment and water conservation. AMRUT has been allocated Rs.7,300 crore.
Swachh Bharat Mission (Urban)	The Swachh Bharat Mission - Urban (SBM-U), was launched on 2 October 2014. The objectives of this mission are - elimination of open defecation; eradication of manual scavenging; modern and scientific Municipal solid waste management; to effect behavioral change regarding healthy sanitation practices; generate awareness about sanitation and its linkage with public health; capacity augmentation for ULBs; to create an enabling environment for private sector participation in Capex (capital expenditure) and Opex (operation and maintenance) in 4,041 statutory towns in the country. SBM 2.0 is being actively considered to make Swachhtha a way of life. The focus over the next five years will be to ensure that all cities of Urban India are certified ODF+ and rated at least 3 Star Garbage Free, and all cities with less than 1 lakh population certified as ODF++. Additionally, 50% of cities with less than 1 lakh population to be Water+ certified. With tremendous achievements during the last six years, the Mission has indeed been able to script a new chapter in the journey towards a Swachh, Swasth, Sashakt, Samridhh and Atmanirbhar Bharat. This programme being one of the flagship programme of the Government has been given Rs.2,300 crore in the 2021-22 Union Budget.
National Heritage City Development and Augmentation Yojana (HRIDAY)	It is a central sector scheme of the Government of India, was launched on 21 January 2015 with the aim of bringing together urban planning, economic growth and heritage conservation in an inclusive manner & with the objective of preserving the heritage character of the City. The Scheme has supported development of core heritage linked civic infrastructure projects which includes revitalization of urban infrastructure for areas around heritage, religious, cultural and tourism assets of the cities. These initiatives include development of water supply, sanitation, drainage, waste management, approach roads, footpaths, street lights, tourist conveniences, electricity wiring, landscaping and such citizen services.
Pradhan Mantri Awas Yojana – Urban (PMAY-U)	<p>The scheme was launched in 2015 with the objective of providing pucca houses to all eligible beneficiaries of urban India by 2022 with the vision of ‘Housing for All’. The Mission’s journey of five years has seen several milestones. The Ministry of Housing and Urban Affairs (MoHUA) has received a validated demand of about 1.12 Cr houses under PMAY (U). Approvals for 1.05 Cr houses have already been sanctioned, of which 65 lakhs are grounded and 35 lakhs have been built and delivered to beneficiaries across the country.</p> <p>The number of houses sanctioned in last five years under the Mission is almost eight times more than those sanctioned under earlier urban housing schemes during the span of 10 years. To ensure regular flow of funds for</p>

	<p>implementation of PMAY(U), National Urban Housing Fund has been created to mobilize Rs60,000 Cr through Extra Budgetary Resources over and above the budgetary allocation for the Mission.</p> <p>Through the Credit Link Subsidy Scheme (CLSS), for the first time, the Middle Income Group (MIG) is being provided benefits for their housing needs. More than 10 lakh beneficiaries belonging to Economically Weaker Sections (EWS), Lower Income Group (LIG) and MIG have so far been brought under the fold of CLSS.</p> <p>The government has identified many alternative and innovative technologies through a Global Housing Technology Challenge- India. Six Light House projects are being implemented in six states across the country which will act as live laboratories demonstrating innovative, proven construction technologies for speedier and cost-effective construction of houses which are sustainable green, eco-friendly and disaster resilient.</p> <p>In 2019, MoHUA launched Angikaar, a campaign for change management in more than 4000 cities. The campaign addressed and enabled beneficiaries to adapt to life transformation that comes with shifting to a newly constructed house. The campaign also converged with other government schemes like Ayushman Bharat and Ujjawala so that beneficiaries could avail the benefits of these schemes. Around 20 lakh households were covered in the campaign.</p>
Deendayal Antyodaya Yojana – National Urban Livelihoods Mission (DAY-NULM)	<p>This works towards alleviating urban poverty through building strong community institutions, providing skill training, access to affordable credit for self employment, support for street vendors and shelters for the urban homeless. The Mission is facilitating urban poor in creating sustainable livelihoods. There are more than 5.2 lakh Self Help Groups with more than 53 lakh members. So far more than 10 lakh persons have been skill trained/certified and bank loan given to 12 lakh persons. 2,168 shelters have also been sanctioned under the Mission. DAY-NULM aims to issue vending certificates to 50 lakh street vendors, empower 40 lakh urban poor through entrepreneurship development and create City Livelihood Centres in all million plus Smart Cities. The mission also aims to bring 1 crore women under the SHGs by 2024</p>
Affordable Rental Housing Complexes (ARHCs) Scheme	<p>In line with ‘AtmaNirbhar Bharat’, an Affordable Rental Housing Complexes (ARHCs) scheme for providing ease of living to Urban migrants/poor has been announced by the Finance Minister in May, 2020. In her Budget speech recently the Finance Minister has announced the extension of the tax holiday on affordable housing projects for one more year. The beneficiaries for RHCs scheme are the urban migrants/poor from EWS/LIG categories including labours, urban poor (street vendor, rickshaw puller, other service providers etc.), industrial workers, educational/ health institutions, hospitality sector, long term tourists, students or any other category as deemed fit by the States/UTs. Construction activity under the scheme has had a huge impact on the other sectors of the economy with a multiplier effect in employment generation. Employment for approximately 1.65 Cr citizens has been generated through forward and backward linkages.</p>
Atmanirbhar Bharat	<p>This mission has been announced in May 2020 as an economic package of Rs 20 trillion to tide over the coronavirus crisis under the Atmanirbhar Bharat Abhiyan. The economic package would play an important role in making India 'self reliant' and that it would benefit labourers, farmers, honest tax payers, MSMEs and the cottage industry.</p>

PM SVANidhi	<p>This scheme launched in June 2020 is a unique scheme for the urban street vendors to provide affordable collateral free working capital loan to street vendors to resume their livelihoods that were adversely affected due to Covid-19 lockdown. This scheme targets to benefit over 50 lakh street vendors and provides incentives in the form of interest subsidy @ 7% per annum on regular repayment of loan and cash-back up to Rs. 1,200 per annum on undertaking prescribed digital transactions. On timely or early repayment, the vendors are eligible for loans of up to Rs. 20,000 during the second cycle and up to Rs. 50,000 during the third cycle. An end-to-end solution through an IT platform has been developed in collaboration with Small Industries Development Bank of India. So far, more than 33.6 lakh loan applications have been received. Out of these more than 17.3 lakh loans have been sanctioned and more than 12.7 lakh loans disbursed.</p> <p>A programme of Socio-Economic Profiling of PM SVANidhi beneficiaries and their families was launched as an additional component of PM SVANidhi Scheme for extending the benefits of various govt Schemes for their holistic socioeconomic upliftment. This was based on the vision of Prime Minister that PM SVANidhi scheme should not be seen merely from the perspective of extending loans to street vendors but as an instrument for outreach to street vendors and their families. 125 cities have been selected in the first phase for the programme.</p>
Jal Jeevan Mission (JJM-U)	<p>MoHUA is planning a to cover all the statutory towns with an aim to make them 'Water Secure'. JJM-U at an estimated cost of ₹2,79,000 crore will promote circular economy of water, including (i) Providing 100% functional tap connections in all urban households by 2026 (ii) 100% sewerage coverage in 500 AMRUT towns by 2026 (iii) Meeting 20% total water demand and 40% of industrial and other non-potable water demand by 2026 from recycled water and (iv) Rejuvenating at least 3 water bodies per city by 2026. This investment is expected to create 84 crore person dayswork over the Mission period.</p>
Housing for All	<p>The Prime Minister on 1 January, 2021 laid the foundation for six Light House Projects (LHPs) in six States as part of Global Housing Technology Challenge (GHTC). The LHPs will serve as live laboratories for facilitating transfer of technology to the field and its further replication. Mass use of these technologies from across the globe will bring speed, sustainability, resource efficiency, environment friendliness; disaster resilience, quality and durability in structures. The LHPs with allied infrastructure facilities are being initiated at 5 cities. Use of globally proven technologies has been the mainstay of speedy delivery of pucca houses under PMAY-U.</p> <p>An additional outlay of ₹ 18,000 Crore for PMAY-U was also announced in Nov, 2020. It is estimated that investment under PMAY(U) would have created more than 587 Crore person days of employment which translates to creation of about 210 lakh jobs in total (nearly 58 lakhs as direct and 151 lakhs as indirect).</p> <p>So far more than 1.09 crore houses have been sanctioned under PMAY(Urban). The construction is in different stages in more than 70 lakh houses while more than 40 lakh houses have already been delivered. Under the Credit Linked Subsidy Scheme (CLSS), 13.20 lakh beneficiaries have been funded with interest subsidy of ₹ 30,868 crore. which includes ₹ 10,491 crore for 4.85 lakh beneficiaries of Middle-Income Group (MIG). PMAY-U is propelling an investment which is more than 17 times the investment made earlier in affordable housing program. The success of the Mission can be attributed to its</p>

	robust financial model of which, Direct Benefit Transfer (DBT) has been a key element. Besides, use of Information Technology for real time monitoring and technological innovation have been salient aspects of PMAY (U).
Master Plan for Delhi (MPD)-2041	To ensure ease of living and provide urban amenities to the citizens of Delhi, a new master plan for Delhi 2041 is being prepared. The vision for Master Plan 2041 is to “Foster a sustainable, liveable and vibrant Delhi by 2041”. The key focus areas will be the provision of good quality green-blue areas for recreation and leisure, tackle pollution and enhance Delhi’s preparedness for Climate Change impacts. The vision would aim at incentivising new formats like serviced apartments, condominiums, hostels, student housing, worker housing, etc. It is also proposed to have TOD based projects to bring jobs and homes closer to mass transit, comprehensive strategies for improving old and dilapidated areas in the city.
Pradhan Mantri – Unauthorized colonies in Delhi Awaasadhikar Yojna (PM-UDAY)-	To substantially improve the living conditions of more than 40 lakhs people residing in unauthorized colonies, the government has decided to confer ownership rights to the residents of unauthorised colonies in Delhi. The ownership rights will be conferred to more than 10 lakh property holders in 1,731 unauthorised colonies in Delhi. The property owners can now enter into valid property transactions and raise funds from financial institutions. This is expected to trigger massive redevelopment of these unauthorised colonies. This decision was necessitated as the work of regularization of unauthorized colonies in terms of 2008 Regulations, which was to be coordinated by the GNCTD, was not making any headway. The Union Housing and Urban Affairs Minister called this scheme the most “far sighted, progressive, revolutionary step ” for Delhi.
Real Estate (Regulation & Development) Act, 2016 (RERA)	To ensure regulation and promotion of Real Estate Sector in an efficient, transparent and accountable manner and to protect the interest of homebuyers, the Real Estate (Regulation & Development) Act, 2016 (RERA) was enacted. RERA is a transformative legislation which brought discipline, transparency, accountability and efficiency in the sector and thus empowered the home buyers. RERA seeks to address vital issues of fair transactions, timely delivery and quality construction through speedy adjudication of disputes. So far 34 States/UTs have notified rules under RERA, 30 States/UTs have set up Real Estate Regulatory Authority, and 26 States/UTs have set up Real Estate Appellate Tribunal. Around 60,000 real estate projects and 46,000 real estate agents have registered under RERA across the country. Around 60,000 complaints have been disposed-off by the Real Estate Regulatory Authorities across the country. Referring to this Act Prime Minister has stated that “There was a trust deficit between builder and home buyers and the Real Estate Regulation Authority Act was introduced to remove this problem”

"If we had recognised urbanisation as an opportunity 25 years ago, we could have been at par with the developed world today. But better late than never,"

Prime Minister Narendra Modi on Urbanisation at the launching the Smart Cities Mission, Housing for All by 2022 and the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) schemes, on 25 June 2015.

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