

To

Principal Secretary/Secretary (UD/Housing Deptt.) of all States/UTs
(as per list)

Sub: Revised Operational Guidelines for construction of Demonstration Housing Projects (DHPs) in the States/UTs.

Sir/Madam,

I am directed to state that this Ministry had earlier issued operational guidelines for construction of Demonstration Housing Projects (DHPs) in the States/UTs vide this Ministry's letter No. I-14022/16/2017- HFA-V (FTS-3019656) dated 15.06.2017. The said operational guidelines for construction of DHPs has now been revised and a copy of the revised guidelines is enclosed herewith. Proposals for construction of DHPs may be formulated by States/UTs in line with the revised operational guidelines and forwarded to this Ministry for consideration.

2. This issues with the approval of Competent Authority.

Yours faithfully,


(B. K. Mandal)

Under Secretary to the Govt. of India

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Encl: As above

Copy for information & necessary action:

- (i) The Chairman & Managing Director, Housing and Urban Development Corporation, HUDCO Bhawan, Core-7-A, India Habitat Centre, New Delhi. Email: cmd@hudco.org,
- (ii) The Chairman & Managing Director, Hindustan Prefab Limited (HPL), Jangpura, Near Rajdoot Hotel, New Delhi, Delhi 110014. Email: hplcmd@gmail.com, cmd.hpl@gov.in,
- (iii) The Executive Director, Building Material and Technology Promotion Council (BMTPC), India Habitat Centre, Core 5-A, New Delhi. Email: shailesh.agrawal@gov.in, ska@bmtpc.org, ed.1sec.1@gmail.com,
- (iv) The Executive Director (Training), HSMI, HUDCO Bhawan, India Habitat Centre (IHC), Lodhi Road, New Delhi - 110003 Email: edthsmi2013@gmail.com, subbu62@gmail.com,

Copy to:

- (i) PS to MoS(I/C) for HUA/ Sr. PPS to Secretary (HUA)/PS to JS&MD (HFA): for information.
- (ii) Dir.(HFA-1), Dir.(HFA-5), Dir.(IFD), DS(HFA-2/3), DS(HFA-4), DC(MIS), MIS Expert {PMU(PMAY(U))}: for reference, record and compliance.

**Revised Operational Guidelines of
Demonstration Housing Projects (DHPs), 2018**

I. Preamble

To achieve the goals of Housing for All by 2022 and also to address global commitment on climate change, the Ministry is harnessing inhouse expertise as well as other national level technology institutions so as to put in place an eco-system for free flow of information and expertise on new/alternate technologies. The overall objective is to enable States/Union Territories (hereinafter referred to as “UTs”)/Urban Local Bodies (hereinafter referred to as “ULBs”) to adopt these technologies in their mass housing schemes including those, which are being built with the support of PMAY(Urban) for which the Central Government plays the role of a facilitator.

2. To that end, as laid down in the PMAY(U) guidelines a Technology Sub-Mission (TSM) has been constituted under PMAY(Urban), *inter-alia*, tasked with the mandate to facilitate adoption of modern, innovative and green technologies and building materials for rapid construction of quality houses and also to facilitate the preparation and adoption of layout designs and building plans suitable for various geo-climatic zones. It also envisages assisting States/cities in deploying disaster resistant and environment friendly technologies in this regard.

3. In the first instance, it is important to train and acquaint municipal engineers, architects as well as other personals/entities associated with construction of houses promoted by private builders on the new/alternate technologies. Secondly, one of the challenges in mainstreaming the new construction technologies and techniques is a perceived hesitation in the acceptance of these new technologies by the ultimate end user i.e. the house owner. In order to alleviate such concerns, there is need to construct such houses as Demonstration Housing Projects and to allot the houses to the beneficiaries/End User, which would, over a period of time, help in bringing about attitudinal change in favour of such houses and acceptance of newly/alternate introduced technologies.

4. Building Materials and Technology Promotion Council (BMTPC) under the aegis of Ministry of Housing and Urban Affairs (MoHUA) is playing a pivotal role in propagating new technologies and has the requisite expertise in the concern field. One of the objectives of the Organization is to “promote development, standardization, mechanization and large scale field application of proven innovative and emerging building materials and technologies in the construction sector”.

5. The broad approach in constructing the Demonstration Housing Projects was outlined to the States/UTs/ULBs earlier vide the D.O. letter No. I-16016/5/2014-H dated 05.06.2015 from the then Secretary, Ministry of Housing and Urban Poverty Alleviation addressed to Chief Secretaries of States. The need for accelerating the Demonstration Housing Projects has also been emphasized in various National and Regional Workshops by the Ministry and BMTPC. The Ministry has been receiving requests from various State Governments for constructing Demonstration Housing Projects in their respective States. State Governments also recognise that such projects as an important initiative in increasing acceptance of such technologies among the people.

6. In the above background and, with a view to delineating the overall approach that will guide the Ministry, BMTPC and the State Governments, it has been decided to put in place broad operational guidelines in the manner in which BMTPC will undertake construction of such “Demonstration Housing Projects”, hereinafter referred to as “**DHPs**”.

II. OBJECTIVE

- i. To orient housing practitioners, both from public and private sectors, in field application of new/alternate technologies for construction of houses.
- ii. To create awareness among stakeholders (State/UT/ULB officials, technical professionals, builders, development agencies, academic institutions and others) at the state/UT/ULB level on new/alternate technologies being adopted in respective DHPs.
- iii. To gather user feedback and enhanced acceptability with respect to houses built with new/alternate technologies.
- iv. Technical evaluation and documentation of the new/alternate technology adopted.

III. SCOPE

These guidelines lay down the manner in which requests for construction of DHPs will be processed based on requests received from States/UTs. The guiding principles involved the roles of the State/UT/ULBs, the role of the Central Government in the Ministry of housing and Urban Affairs and the operational and other responsibilities of Building Materials and Technology Promotion Council (BMTPC) which has been entrusted with the task of construction of the DHPs. As the DHPs are closely linked to the overall objective of the PMAY(Urban) Mission, the projects will be located in

urban areas identified by the States/UTs. As the DHPs have been originally conceived keeping in view the expertise available with the BMTPC, the scope of these guidelines are presently circumscribed and framed keeping in view the available mandate and expertise of that organization. In future, as and when a need is felt to expand the ambit beyond BMTPC to other organizations or entities with similar expertise, necessary changes/modifications, if required, will be carried out in these guidelines, with the approval of the Competent Authority.

IV. THE CONCEPT AND SALIENT FEATURES OF DHPs

- a. A Demonstration Housing Project, conceptually speaking, will mean a model housing project built with new/alternate technology that provides on-site orientation to practitioners in the housing sector with knowledge on the application and use of such technology. It will, simultaneously, provide end users the scope of residing in such houses so that acceptability of such houses is ascertained enabling scaling up the use of such technologies.
- b. Each DHP will contain up to 40 Houses with sustainable, cost and time effective emerging alternate housing construction technologies suitable to the geo-climatic and hazardous conditions of the region. Along with this, a community hall shall also be constructed to be used for technology dissemination purpose and community oriented activities.
- c. The minimum size of houses constructed under DHP will be in accordance with the prevailing guidelines of the Pradhan Mantri Awas Yojana (Urban).
- d. Each State/UT will have normally one DHP and depends on the size of the State in respect of population, in special conditions; one more DHP may be sanctioned.
- e. Each DHP will include on site infrastructure development such as internal roads, pathways, common green area, boundary wall, underground water tank, external electrification. Use of non-renewable energy will be encouraged.
- f. Houses will be designed keeping in view the dimensional requirements laid down in National Building Code (NBC) 2016 with good aesthetics, proper ventilation and adequate storage space, etc.

- g. Disaster resistant features as per the requirements of existing NBC/BIS and applicable international standards pertaining to earthquake, cyclone and flood, will be incorporated.
- h. Cluster design may include innovative system of water supply, drainage and rain water harvesting, renewable energy sources with special focus on solar energy.

V. IMPLEMENTATION METHODOLOGY

- a. A State/UT, interested in a DHP, will make a formal request to the Ministry of Housing and Urban Affairs (MoHUA) for undertaking the project using proven, green and emerging technologies, after obtaining the approval of the State Level Sanctioning and Monitoring Committee (hereinafter referred to as “**SLSMC**” constituted under PMAY(Urban)).
- b. The interested State/UT Government will identify and provide a suitable area of land free of cost and without any encumbrances to BMTPC for construction of the DHP. All the costs towards outside/external infrastructure development will be borne by the State/ULB. BMTPC will be the implementing agency (IA) for the DHP unless decided otherwise, as stated in paragraph III above.
- c. BMTPC, in consultation with the Ministry of HUA, along with officials of States/UTs/ULB will assess the suitability of the allocated land and discuss the further modalities for undertaking the DHP.
- d. BMTPC will request the States/UTs/ULBs to earmark the land for DHP project and shall, thereafter, submit a preliminary proposal i.e. Detailed Project Report (DPR) to the CSMC in MoHUA for PMAY(U) for ‘in-principle’ approval of the project. The usage of the DUs constructed under DHPs must be pre-defined in DPR and duly recommended by SLSMC at the State/UT level followed by Central Sanctioning and Monitoring Committee (hereinafter referred to as “**CSMC**”) approval.
- e. On receipt of ‘in-principle’ approval from CSMC of PMAY(U), the State/UTs/ULB shall be requested to provide site survey plan and to undertake soil investigation and other preparatory activities. Alternatively, in the interest of timely execution, the competent authority in the Ministry will accord ‘in principle’ approval and the decision will be placed for ratification in CSMC.

- f. The technology for the DHP will be finalized in consultation with the State/UT/ULB keeping in view the geo-climatic, hazard condition and locally available materials of the region. Design of the DHP will be undertaken by BMTPC keeping in view the local building bye laws and regulations. The finalized design will be submitted to the State/UT/ULB for their approval.
- g. After receipt of the finally approved dwelling unit plan and site layout, BMTPC will prepare the final Detailed Project Report (DPR) and submit it to CSMC of MoHUA for approval. Simultaneously, BMTPC will place the proposal for construction of the DHP for approval/ratification by its Executive Committee and for information of Board of Management of BMTPC.
- h. After the approval of the project by CSMC, BMTPC will finalize and publish the tender document for appointment of the contracting agency and all other necessary formalities as per prescribed instruction in the General Financial Rules (GFRs)-2017.
- i. BMTPC will organize need based sensitization/ capacity building programmes on emerging technologies for the benefit of working professionals and local construction workforce in the region.
- j. After due diligence of the completed work and after getting the necessary completion certificates cum occupancy certificate for water, sewerage, fire safety electricity etc., the DHP shall be handed over by BMTPC to the respective ULBs. The ULBs shall be the owner and the custodian of these DHPs.
- k. The beneficiaries for allotment of DHPs shall be eligible as per the PMAY (U) guidelines specified for Economic Weaker Section (hereinafter referred to as “EWS”) category or the DHPs shall be given on rent for the social welfare activities after signing of MoU between ULB and the concerned Department. The Demonstration Houses will not be given to the individuals on permanent basis, if provided on rent.
 - 1) If the DHPs will be given on rent, it will be used for the following social welfare activities on clearly defined parameters: -
 - a. *Night Shelters*
 - b. *Widow Homes (abandoned women, homeless etc.)*
 - c. *Working Women Hostels*
 - d. *Orphanages*
 - e. *Old Age Homes*

- f. Divyang Hostels*
- g. Government Sports Hostels*
- h. Mix of any of the above*
- i. Any other Government run social welfare activities*

2) In case, the Dwelling Units (DUs) constructed under DHPs is not allocated for the above purpose mentioned in para V (x) (A), then the DHPs shall be allotted to PMAY (U) beneficiaries in accordance with this guideline.

3) Administration and Monitoring of the DHPs:

(a) A committee headed by Divisional Commissioner/ Municipal Commissioner in the Municipal Corporation shall review, monitor and allocate the DUs to the Government affiliated organisations on monthly rental basis.

(b) In case of Municipalities and Nagar Panchayats, the District Magistrate shall head the Committee to review, monitor and allocate the DHs to the Government affiliated organisations on monthly rental basis.

(c) The Committee shall also include the officers of the concerned Departments for which the DHs would be allocated.

(d) The District Level Advisory and Monitoring Committee (DLAMC) or any other committee as recommended by SLSMC shall review and monitor the progress of DHPs on regular basis.

(e) The amount of monthly rent for DHPs shall be reviewed by appropriate authority as designated by the State/UT Government on yearly basis as per the prevailing State/UT rental laws.

(f) It will be ensured that convergence^[1] of DHPs with relevant schemes namely Members of Parliament Local Area Development Scheme (hereinafter referred to as “MPLADS”), Members of Legislative Assembly Local Area Development Scheme (hereinafter referred to as “MLALADs”, Central/State sponsored scheme or other similar schemes to be undertaken.

1. The Dwelling Units (DUs) constructed under DHPs either to individual PMAY (U) beneficiaries or for social purpose on rental basis shall be allocated as per the pre-defined parameters mentioned in DPR as recommended by SLSMC and approved by CSMC.

VI. Operation and Maintenance

- a. Acknowledging the fact that field level expertise on the new technologies may not be available in the State/UT initially, any expenditure pertaining to structural issues/ major distress occurring in the houses/project under DHP will be taken up by the implementing agency i.e. BMTPC for rectification for a period of five years from the date of completion, if given on rent basis.

It is expected that within the period of five years, the State/ULB would have developed the necessary skill set to independently take up such issues, if occur in the DHPs, beyond the period of five years.

Notwithstanding the above, even beyond the period of five years, the technical expertise of BMTPC will be available to the State/UT/ULB in an advisory/expert capacity.

- b. The income accrued as rent from these DHs will be kept in a separate account which will be maintained by the concerned ULBs. All routine and daily maintenance issues arising out of normal wear and tear of items used in the DHP's house will be the responsibility of the concerned ULB and the expenditure shall be met from the revenue generated through rents.

A suitable budget may also be earmarked for the recurring expenditure on this account by the ULB.

The account will be managed as per the prescribed accounting system and the same shall be audited every year by the Audit authority. The audited expenditure statement shall be furnished to the State Level Nodal Agency (hereinafter referred to as "SLNA") or Housing/Urban Development Department of the concerned State/UT.

- c. The Community centre/hall of the DHPs shall be primarily used for the purpose of technology promotion, organising feedback sessions, training and workshop, and other socio-cultural activities as deemed fit.

VII. PROPOSED FUNDING PATTERN

- a. If the DHP is given to the beneficiaries of PMAY(U), the expenditure for the construction of DHP with respect to Central Share and balance amount shall be borne from the capacity building head of PMAY (U) in the following way:

For example, the cost of each Dwelling Unit under DHP is Rs. 8 lakh and, that of Affordable Housing Project (AHP) in the state under PMAY (U) is Rs. 6 lakhs, then the following pattern will be applicable:

Sl. No.	Share	Amount (in Rs.)	Funding Agency
(i)	Central	1.5 lakh (fixed)	MoHUA
(ii)	State	1.5 lakh (say)*	State Government
(iii)	Beneficiary	3.0 lakh (say)	Beneficiary itself
Total (w.r.t. AHP)		6.0 lakh (say)	
Balance Amount (w.r.t. DHP)		2.0 lakh* (say)	MoHUA

The central share and balance amount 20% of the estimated cost or Rs. 2.0 lakh, whichever is less for DHP will be released by the Ministry of Housing and Urban Affairs to the implementing agency i.e. BMTPC. Simultaneously, the State Share along with beneficiaries share will be released by States/UTs/ULBs to the BMTPC.

*The State/beneficiaries share may vary State-to-State. However, Central Government will pay only Central Share and balance amount 20% of the estimated cost or Rs. 2.0 lakh, whichever is less.

- b. If the DHP is given on rental basis, the entire expenditure for the construction of DHP will be borne by Ministry of Housing and Urban Affairs.
- c. The funds will be released by the Ministry of Housing and Urban Affairs to the implementing agency i.e. BMTPC in the following way:
 - i. The funds will be released to BMTPC in 03 instalments. 1st instalment of 50% will be released on approval of the project by CSMC and 2nd instalment of 40% based on utilization of 70% of the earlier instalment and commensurate physical & Financial progress of DHPs in the form of detail technical report of BMTPC and Utilisation Certificates (UCs) in the prescribed format as per GFR 2017. The final instalment of 10% shall be released on receipt on satisfactory completion report from BMTPC.
 - ii. The entire project cost *viz.* the cost of housing along with internal Infrastructure including other applicable charges would be considered for sanction and will be payable to BMTPC. As per prevailing Central Public works Department (hereinafter referred to as “**CPWD**”) norms, these charges would include planning and design charges, preparation of Detailed Project Report (hereinafter referred to as “**DPR**”) including architectural and working drawings, preparation of structural design, vetting of structural design, site visits, daily supervision and monitoring charges, quality assurance of the DHP, contingency charges, etc. Other charges such as training cost, cost of documentation and evaluation by reputed technical Institution, if any, will be reimbursed as per rates approved for the respective items of PMAY (U).

- iii. In case, BMTPC obtains alternate or additional funding support then in such case, the funding support from the Ministry will be reduced to the extent of the amount funded by alternate or additional source.
- iv. In case the tender award cost is more than the sanctioned Project cost, the award cost shall be placed for consideration by the CSMC based on proper justification by BMTPC.
- v. On final completion of the project, if the project cost is increased due to any unforeseen circumstances the same will be placed for approval of CSMC along with adequate justification by the BMTPC.

VIII. MONITORING & EVALUATION

- a. A Technical Group comprising (i) Representative of BMTPC (ii) Representative of SLNA (iii) Expert from local IIT/NIT/Research Institution, and (iv) Engineer from ULB shall be constituted to oversee the progress of DHPs and also to propagate emerging technologies used in the DHP for wider acceptability within the State Government. This Technical Group may meet once in a month till the handing over of the project and report progress of the project to the Ministry through BMTPC.
- b. The project would also be evaluated and documented by reputed technical Institution such as IIT/NIT/ Government engineering college.

IX. RELAXATION

If any amendment or relaxation is required to be done in these operational guidelines, the same may be done with the approval of the same competent authority as that in respect of PMAY (U) guidelines.

[1] *Where schemes are in operation with the similar objectives targeting the same population, the schemes should be converged. --Rule 232 (III) GFR, 2017.*
