ABSTRACT

Affordable Housing - Constitution of "Shelter Fund" for promoting public housing and Affordable Housing for EWS and LIG categories – Orders – Issued.

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Housing and Urban Development (SC1-2) Department

G.O.(Ms).No.135 Dated:21.07.2017.
ஹேவிளம்பி வருடம், ஆடி 5,
திருவள்ளுவர் ஆண்டு 2048.

Budget Speech of Hon'ble Minister for Finance, Personnel and Administrative Reforms, in the Tamil Nadu Legislative Assembly on 21.07.2016.

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ORDER:-

Tamil Nadu is one of the most urbanised States in India and one of the major challenges being faced by all the major cities in Tamil Nadu due to increase in urban population is lack of provision of affordable housing and consequent development of squatter settlements and slum/slum like habitations. Availability of affordable housing in urban areas is hampered due to rising land cost as well as cost of construction.

2. Realizing the need for affordable housing, the Hon'ble Minister for Finance, Personnel and Administrative Reforms, Government of Tamil Nadu, while presenting the Revised Budget for the year 2016-2017 to the Legislative Assembly on 21.07.2016 announced that the State Government will constitute a "Shelter Fund", dedicated to finance housing projects to rehabilitate the urban poor. Simultaneously, the Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC), promoted by Tamil Nadu Infrastructure Development Board (TNIDB) also mooted an idea to register Tamil Nadu Shelter Fund as category-I social fund registered with Securities and Exchange Board of India (SEBI) which

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will develop its initial Corpus through sponsor funding of 5% each from Tamil Nadu Slum Clearance Board and Tamil Nadu Housing Board with a targeted rate of return and another funding of 20% from National Housing Bank (NHB). It was also proposed to generate resources through various other measures such as floating of housing infrastructure bonds, tapping social venture funds and borrowing internationally on London Inter-Bank Offered Rate (LIBOR) rates etc.

3. Based on the above announcement of the Hon'ble Minister for Finance, Personnel and Administrative Reforms, the Government hereby constitute "Tamil Nadu Shelter Fund" having the following two-tier financial structure:-

(i) The Tier-I Shelter Fund shall be constituted as a Government regulated fund, wherein the proceeds through various sources like levy of fees and other collections approved by the Government shall be transferred and credited. This fund will be maintained by Tamil Nadu Slum Clearance Board and administered by Housing and Urban Development Department in consultation with Finance Department. A part of the Tier-I Shelter Fund shall be used for catalyzing the Tier-II shelter Fund to tap various hitherto untapped sources of funding at a cheaper blended cost to promote affordable housing by the Government through Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC). The substantial portion of the Shelter Fund pooled in Tier-I shall be used for funding Housing projects by Government through Tamil Nadu Slum Clearance Board including Grant component of State Government share in Centrally Sponsored Housing Scheme.

(ii) The Tier-II Shelter Fund shall be registered with the Securities and Exchange Board of India as Category-I Social Alternate Investment Fund and maintained by Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC).

4. The Government direct that initially the sources of funding for Tier-I Shelter Fund shall be as specified below:

(i) A Shelter fee @ 75% of the I&A rates for respective category of buildings will be charged from all the proposed developments having a FSI area of 3,000 sq.mtr. and above except for the residential projects where the size of the dwelling units (carpet area) does not exceed 50 sq.mtr. in lieu of the prevailing

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regulation of reservation of 10% of the built up area for LIG in all the developments on land parcels of more than 10,000 sq.mtr.

(ii) Proceeds from sale of Special Transferable Development Rights (TDRs) obtained by Tamil Nadu Slum Clearance Board from planning authorities against construction of each slum tenemental unit will be added to Tier-I shelter fund.

5. The Housing and Urban Development Department shall also identify other sources of levy/taxes from time to time to add to the existing sources of the Tier-I Shelter Fund.

6. The shelter fund collected as per para 4(i) above shall be remitted into Government account under the following Head of Account:-

i) The amount collected towards the Tamil Nadu Shelter Fund shall be credited to "0216 Housing – 02 Urban Housing – 800 Other Receipts – AB Tamil Nadu Shelter Fund

(DPC: 0216-02-800-AB-0000)

ii) The receipts in respect of Tamil Nadu Shelter Fund so collected would be Transferred to the "Tamil Nadu Shelter Fund" created under " J Reserve Fund" as contributions by debit to the following head of account under Grant No.26 Housing and Urban Development Department

"2216 Housing – 02 Urban Housing – 797 Transfer to Reserve Fund and Deposit Account – AA Amount Transfer to Tamil Nadu Shelter Fund – 30 Inter Accounts Transfers"

(DPC: 2216-02-797-AA-3004)

iii) The above contributions would be credited to the Tamil Nadu Shelter Fund in Part III Public Account under the following head of Account:-

"J. Reserve Funds (b) Reserve Funds not Bearing Interest – 8229 – 00. Development and Welfare Funds - 200. Other Development and Welfare Fund – BI. Tamil Nadu Shelter Fund"

(8229 00 200 BI 00 OC) (Receipts)

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7. The Secretary to Government, Housing and Urban Development Department is the Estimating, Reconciling and Controlling authority for the above new heads of account. The guidelines for utilization of fund etc., will be issued separately.

8. The shelter fund generated as per para 4(ii) should be credited directly into the Shelter Fund-I account maintained by Tamil Nadu Slum Clearance Board. The funds collected as per para 4(i) will be pooled and transferred to the account of Tier-I shelter fund to be maintained by Tamil Nadu Slum Clearance Board at the end of each financial year and administered by Government in Housing and Urban Development Department in consultation with Finance Department.

9. The Government further direct the Tamil Nadu Infrastructure Fund Management Corporation Limited (TNFIMC), promoted by Tamil Nadu Infrastructure Development Board (TNIDB) to register Tamil Nadu Shelter Fund (Tier-II component of Shelter Fund) as Category-I Social Alternate Investment Fund with Securities and Exchange Board of India (SEBI). The Government further direct the Tamil Nadu Slum Clearance Board and Tamil Nadu Housing Board to provide initial catalystic first loss capital of upto 5% of the initial corpus of the Tier-II component of the Shelter Fund to Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC), after registration of the fund with Securities and Exchange Board of India (SEBI). Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC) may also associate the National Housing Bank (NHB) as a partner in this venture.

10. The amendments to relevant rules and regulations with respect to the orders in Para 4(i) above will be issued separately.

11. This order issues with the concurrence of Finance Department vide its U.O.No.38716/Finance(Hg)/2017, dated 21.07.2017.

(BY ORDER OF THE GOVERNOR)

DHARMENDRA PRATAP YADAV
SECRETARY TO GOVERNMENT.

To
The Principal Secretary / Managing Director,
Tamil Nadu Slum Clearance Board, Chennai-5.

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The Managing Director, Tamil Nadu Housing Board, Chennai-35.
The Member-Secretary, Chennai Metropolitan Development Authority, Chennai-8.
The Commissioner of Town and Country Planning, Chennai-2.
The Principal Secretary to Government /Chief Executive Officer, Tamil Nadu Infrastructure Development Board/ Finance (Infrastructure Cell), Chennai-9.
The Chief Executive Officer /Chief Operating Officer, Tamil Nadu Infrastructure Fund Management Corporation Limited, Chennai-34.
The Managing Director/Chief Executive Officer, National Housing Bank, New Delhi.
The Chairman, Securities and Exchange Board of India, Mumbai,
The Accountant General (A&E), Chennai-18.
The Accountant General (G&SSA), Chennai-18.
The Resident Audit Officer, Secretariat, Chennai-9.
The Principal Secretary/Commissioner of Treasuries and Accounts, Chennai-15.

Copy to:-

The Office of the Hon'ble Chief Minister, Secretariat, Chennai-9.
The Special Personal Assistant to the Hon'ble Minister (Fisheries, Finance, P&AR), Secretariat, Chennai-9.
The Senior Personal Assistant to the Hon'ble Minister (Housing and Urban Development), Secretariat, Chennai-9.
The Senior Private Secretary to the Chief Secretary to Government, Secretariat, Chennai-9.
The Senior Private Secretary to the Additional Chief Secretary to Government, Finance Department, Secretariat, Ch-9.
The Senior Private Secretary to the Secretary to Government, Housing and Urban Development Department, Secretariat, Chennai-9.
The Planning, Development and Special Initiatives Department, Chennai-9.
The Finance (Housing/W&M-II/B.G-I/B.G-II) Department, Chennai-9.
The Housing and Urban Development (OP.1/Budget/UD-I/ UD-III/UD-IV) Department, Chennai-9.
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//Forwarded by Order//

R. Lalitha 21/7/17

SECTION OFFICER.

21/07/17

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