
LEGAL FRAMEWORKS FOR AFFORDABLE HOUSING DEVELOPMENT: BRIDGING POLICY AND PRACTICE

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ABSTRACT

The global affordable housing crisis demands robust legal frameworks that balance the rights of individuals with the needs of communities, ensuring equitable and sustainable development. This paper examines the role of legal instruments in facilitating affordable housing, focusing on zoning regulations, land acquisition policies, and fiscal incentives. It highlights how exclusionary zoning laws, restrictive land-use policies, and bureaucratic hurdles often impede affordable housing initiatives, perpetuating socio-economic disparities.

The study explores innovative legal mechanisms such as inclusionary zoning, land value capture, and community land trusts that promote affordable housing while maintaining market stability. Special emphasis is placed on the role of public-private partnerships (PPPs), wherein carefully designed legal frameworks can incentivize private sector investment in housing projects for low- and middle-income populations. Moreover, the paper examines the legal basis for housing as a fundamental right under international instruments like the International Covenant on Economic, Social and Cultural Rights, advocating for its integration into domestic laws. The research also evaluates financial policies, including tax breaks, subsidies, and affordable housing credits, that governments can leverage to encourage development. Case studies from jurisdictions with progressive legal frameworks are presented to illustrate best practices and identify replicable models. In addition, the paper discusses legal protections for tenants and safeguards against displacement caused by urban redevelopment or gentrification.

This paper concludes by advocating for a multi-faceted legal approach that integrates housing rights with urban planning, social equity, and environmental sustainability. It underscores the critical role of legislators, urban planners, and civil society in crafting and implementing policies that address the affordable housing crisis. By building a strong legal foundation, governments can foster inclusive communities and ensure that housing remains accessible to all in the 21st century.

Keywords: Affordable Housing, Zoning Laws, Public-Private Partnerships, Housing Rights, Urban Planning, Legal Frameworks.

INTRODUCTION

Affordable housing¹ remains one of India's most pressing challenges, driven by rapid urbanization, population growth, and increasing economic inequality. With a significant portion of the population migrating to cities in search of better opportunities, the demand for affordable housing in urban and semi-urban areas has surged. However, skyrocketing land prices, inadequate infrastructure, and inefficient urban planning² have exacerbated the housing deficit. Recognizing this, the Indian government launched the Pradhan Mantri Awas Yojana (PMAY)³ under the "Housing for All" initiative, aiming to provide affordable housing by 2022. While such initiatives are laudable, their success hinges on the strength and efficiency of the legal frameworks that govern their implementation.

India has introduced various legislative measures to address the housing crisis, including the Real Estate (Regulation and Development) Act⁴ (RERA), which seeks to promote transparency and accountability in the real estate sector. Policies like the Land Acquisition, Rehabilitation, and Resettlement Act and urban zoning regulations also play pivotal roles in shaping housing development. Despite these efforts, the sector faces numerous challenges, such as lengthy approval processes, land acquisition disputes, inadequate enforcement mechanisms, and resistance from local communities. Additionally, there is a significant gap between policy intent and ground-level implementation, often undermining the impact of these initiatives.

This research aims to delve into India's legal and policy frameworks for affordable housing development, assessing their effectiveness in bridging the gap between policy and practice. It will explore the interplay between government initiatives, private sector involvement, and community participation, identifying key barriers and proposing actionable recommendations. By analyzing case studies and evaluating best practices, the research seeks to provide a roadmap for strengthening legal frameworks and fostering sustainable urban growth. Ultimately, the study underscores the need for a collaborative approach involving all

¹ Singh, R, "Affordable Housing in India: A Review of Legal Frameworks" (2020) 10 Indian J Law & Soc 1

² (2018).8 J Law & Pub Pol'y 1 (Rao, KV, "Legal Frameworks for Affordable Housing in India: Challenges and Opportunities"

³ India Brand Equity Foundation, Pradhan Mantri Awas Yojana (online), <https://www.ibef.org/government-schemes/pradhan-mantri-awas-yojana>

⁴ Real Estate (Regulation and Development) Act, 2016, No 16 of 2016 (India)

stakeholders to ensure the right to housing is not just a policy goal but a practical reality for millions of Indians.

SCOPE

The research on “Legal Frameworks for Affordable Housing Development: Bridging Policy and Practice” focuses on examining the critical role of legal and regulatory systems in addressing India's affordable housing needs. This study covers the evaluation of existing frameworks, including key acts such as the Real Estate (Regulation and Development) Act (RERA), Land Acquisition, Rehabilitation and Resettlement (LARR) Act, 2013⁵, and various state-level urban planning laws. It explores how these frameworks impact land acquisition, project approvals, financing, and overall housing accessibility for vulnerable groups, including the economically weaker sections (EWS)⁶, low-income groups (LIG), and urban poor.

The research also investigates implementation challenges, such as delays in land acquisition, bureaucratic inefficiencies, limited infrastructure integration, and gaps in public-private partnerships (PPPs)⁷. By assessing these challenges, the study aims to identify areas where legal and regulatory reforms can enhance affordability, inclusivity, and sustainability in housing development.

Furthermore, the research extends its scope to comparative analysis, drawing lessons from international best practices in affordable housing. It also examines how legal systems can adapt to future demands, including the growing need for sustainable and climate-resilient housing. The findings of this research will provide actionable recommendations to policymakers, developers, and stakeholders, ensuring effective policy implementation and bridging the gap between intent and practice.

RESEARCH QUESTIONS

- What are the existing legal frameworks and policies governing affordable housing

⁵ Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, No 30 of 2013, s 2 (India)

⁶ Ambaliya, SN, Desai, VN, and Shah, J, "A Critical Study On The Current Status Of Affordable Housing in India" (2018) 5(11) JETIR 583

⁷ Ministry of Housing and Urban Affairs, PPP Models for Affordable Housing (online) (available at: (<https://mohua.gov.in/upload/uploadfiles/files/PPP%20Models%20for%20Affordable%20Housing.pdf>) (cited 2024-12-30)

development in India, and how do they align with the goals of inclusivity and sustainability?

- How effective are India's zoning laws, land acquisition policies, and urban planning regulations in addressing the demand for affordable housing?
- How can public-private partnerships (PPPs) be strengthened within the legal framework to accelerate affordable housing development in India?
- What are the key implementation challenges of affordable housing policies in India, and how can these be addressed through legal and regulatory framework reforms?

RESEARCH OBJECTIVE

This research aims to analyze the existing legal frameworks and policies governing affordable housing in India, assessing their alignment with inclusivity and sustainability goals. It seeks to evaluate the effectiveness of zoning laws, land acquisition policies, and urban planning regulations in addressing housing demand while identifying key implementation challenges. The study will explore ways to strengthen the legal framework and draw insights from international best practices to propose reforms tailored to the needs of vulnerable groups, ensuring effective policy execution and bridging the gap between policy and practice.

LITERATURE REVIEW

The issue of affordable housing in India has been widely studied, with scholars emphasizing the role of legal frameworks in bridging the gap between policy objectives and practical implementation. Existing research highlights the importance of the **Constitution of India**, particularly Article 21⁸ (Right to Life) and the Directive Principles of State Policy, which underscore housing as a critical component of a dignified life. Studies on the **Real Estate (Regulation and Development) Act (RERA)** reveal its significance in ensuring transparency, accountability, and timely delivery of housing projects, though challenges in implementation persist.

The **Land Acquisition, Rehabilitation, and Resettlement (LARR) Act, 2013**, has been

⁸ Constitution of India, art 21.

examined for its impact on fair compensation and resettlement, but researchers note that delays in land acquisition often hinder affordable housing projects⁹. Literature on urban planning regulations, including state-specific **Town and Country Planning Acts**¹⁰, highlights the inefficiencies in zoning laws and land use conversion processes, which restrict the availability of land for affordable housing.

Scholars also critique the limited success of public-private partnerships (PPPs) in housing projects, citing risks for private developers and weak government incentives. Furthermore, research draws attention to gaps in infrastructure integration, sustainability practices, and financing mechanisms. This review underscores the need for holistic reforms to align legal frameworks with the realities of housing demand in India.

I. LEGAL FRAMEWORKS AND POLICIES GOVERNING AFFORDABLE HOUSING

The legal frameworks supporting affordable housing in India include several acts and regulations that address various aspects of land acquisition, real estate development, urban planning, and the protection of stakeholders' rights.

1. The Constitution of India

While housing is not explicitly mentioned as a fundamental right, certain provisions within the Constitution indirectly emphasize the need for affordable housing:

- **Directive Principles of State Policy (Article 39):** It directs the state to ensure adequate livelihood for all citizens and the distribution of resources to serve the common good, which extends to providing housing for economically weaker sections (EWS) and low-income groups (LIG).
- **Right to Life (Article 21):** The Supreme Court has interpreted this article to include the right to a dignified life, which encompasses access to necessities like shelter and housing.

These provisions serve as the foundation for all housing-related laws and policies in India.

⁹ Abelson, P, "Affordable Housing: Concepts and Policies" (2009) 28(1) Economic Papers 27

¹⁰ Town and Country Planning Act, 1971, No 30 of 1971 (India)

2. Real Estate (Regulation and Development) Act, 2016

RERA was enacted to regulate the real estate sector and ensure transparency, accountability, and efficiency in property transactions. It applies to both residential and commercial projects.

Key Provisions:

- Mandatory Registration: All real estate projects, except small-scale ones, must be registered with the respective state RERA authority.
- Transparency: Developers must provide complete project details, including timelines, layout plans, and approvals, on the RERA website¹¹.
- Project Completion Timelines: RERA ensures that developers adhere to project deadlines, reducing delays that can affect affordable housing projects.
- Consumer Protection: Homebuyers can seek compensation or file complaints for project delays or misrepresentation.

Contribution to Affordable Housing:

RERA improves trust and accountability, particularly in affordable housing projects where beneficiaries often come from vulnerable groups. It ensures timely delivery and transparency in pricing, which are crucial for low-income buyers.

3. Land Acquisition, Rehabilitation, and Resettlement Act, 2013

LARR regulates the acquisition of land for public purposes and ensures fair compensation and rehabilitation for those affected.

Key Provisions:

- Fair Compensation: Landowners are entitled to compensation up to four times the market value in rural areas and twice the market value in urban areas.

¹¹ Uttar Pradesh Real Estate Regulatory Authority, (online) (<https://www.up-rera.in/index>) (cited 2024-12-30)

- Consent Clause: Acquisition for private projects requires the consent of 80% of affected families, and for public-private partnership (PPP) projects, 70% consent is mandatory.

- Resettlement and Rehabilitation: Affected families must receive alternative housing, employment opportunities, or monetary compensation.

Contribution to Affordable Housing:

By facilitating land acquisition while protecting the rights of landowners, LARR balances the need for affordable housing with social justice. It ensures that displaced communities are adequately compensated and resettled, fostering inclusivity.

4. Town and Country Planning Acts

These govern land use, zoning, and urban planning at the state level, ensuring that land is allocated for affordable housing through master plans and land-use conversions, though challenges like inconsistent implementation persist.

5.The Slum Areas (Improvement and Clearance) Act, 1956

It focuses on slum redevelopment¹², enabling improvement, clearance, and resettlement of slum dwellers, thereby addressing the housing needs of the urban poor and promoting inclusivity.

6. Environmental Laws, such as the Environment Protection Act, of 1986, and the Energy Conservation Building Code (ECBC)¹³, mandate eco-friendly and energy-efficient practices for housing projects, ensuring sustainability in affordable housing development.

7. Urban Land Ceiling and Regulation Act, 1976 (ULCRA) (now repealed)

Aimed to curb land hoarding and redistribute surplus land for public housing, laying a foundation for equitable urban land policies.

¹² Slum Areas (Improvement and Clearance) Act, 1956, No 96 of 1956 (India)

¹³ "Affordable Housing and Environmental Sustainability: Building a Greener Future" (online) Times of India (available at: <https://www.google.com/amp/s/timesofindia.indiatimes.com/blogs/voices/affordable-housing-and-environmental-sustainability-building-a-greener-future/>) (cited 2024-12-30)

Government Policies Supporting Affordable Housing in India

1. Pradhan Mantri Awas Yojana

It came in 2015 and aims to provide affordable housing for all by 2022. The scheme focuses on four key components: in-situ slum redevelopment, affordable housing in partnership with private developers, credit-linked subsidy scheme (CLSS), and beneficiary-led construction for individuals building their homes. The scheme targets economically weaker sections (EWS), low-income groups (LIG), and middle-income groups (MIG), ensuring inclusivity by prioritizing vulnerable groups, including women and marginalized communities. PMAY also integrates sustainability by promoting eco-friendly construction techniques and energy-efficient building designs.

2. Affordable Rental Housing Complexes (ARHCs) Scheme

Introduced under PMAY in 2020, ARHCs aim to provide affordable rental housing for urban migrants¹⁴ and the poor, particularly in industrial hubs and urban centres. This scheme converts vacant government-funded housing into rental units and incentivizes private developers to create new rental complexes. By addressing the needs of low-income workers, including migrant labourers, this policy promotes inclusivity and social equity while reducing the housing burden in cities.

3. National Urban Housing and Habitat Policy, 2007

It focuses on the creation of sustainable and inclusive urban housing. It emphasizes public-private partnerships (PPPs) and cooperative housing models to mobilize resources for affordable housing. The policy prioritizes economically weaker sections and low-income groups and incorporates sustainability by encouraging green building norms and efficient land use. NUHHP also promotes innovative housing finance mechanisms, making housing loans more accessible to low-income households.

4. Rajiv Awas Yojana (RAY)

Although replaced by PMAY, RAY laid the groundwork for slum redevelopment policies. It

¹⁴ Ministry of Housing and Urban Affairs, Affordable Rental Housing Complexes (ARHC) Scheme, 2020 (India)

aimed to make Indian cities slum-free by encouraging states to prepare slum-free plans and rehabilitate slum dwellers with affordable housing. RAY focused on inclusivity by integrating slum dwellers into formal urban settlements and ensuring access to basic services such as water, sanitation, and electricity.

5. Smart Cities Mission

This urban renewal program launched in 2015 aims to develop 100 smart cities in India, integrating affordable housing into broader urban development goals¹⁵. By promoting mixed-use development, better infrastructure, and resource-efficient urban planning, the Smart Cities Mission indirectly supports affordable housing. It also emphasizes sustainability through green building practices, efficient public transportation, and waste management systems.

6. Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

Launched in 2005, JNNURM aimed to improve urban infrastructure and provide housing for the urban poor. It focused on slum development, integrated urban infrastructure, and improving basic services in urban areas. Under its sub-mission, Basic Services to the Urban Poor (BSUP), JNNURM funded the construction of affordable housing units with a focus on inclusivity by targeting slum dwellers and economically weaker sections.

7. Affordable Housing Partnership (AHP)

This component of PMAY focuses on creating affordable housing through collaboration with private developers. The government provides financial assistance to developers, incentivizing them to construct affordable housing units for economically weaker sections and low-income groups. By leveraging private sector expertise and resources, the AHP promotes faster and cost-effective housing development.

8. Interest Subvention Schemes for Housing Loans

Under PMAY's Credit-Linked Subsidy Scheme (CLSS)¹⁶, the government provides interest subsidies on housing loans for EWS, LIG, and MIG categories. This reduces the financial

¹⁵ Vaswani, V, Shah, G, and Shastri, J, "Smart Cities and Affordable Housing: A Comprehensive Analysis of Urban Development in Viksit Bharat" (2024) VII GAP BODHI TARU 471

¹⁶ Ministry of Housing and Urban Affairs, Government of India, Credit Linked Subsidy Scheme (CLSS) (online) (available at: <https://pmay-urban.gov.in/credit-linked-subsidy-scheme> (cited 2024-12-30))

burden on homebuyers, making housing loans more affordable and accessible¹⁷. The scheme also incentivizes formal financial institutions to cater to low-income households.

9. State-Specific Affordable Housing Policies

Several states have launched their own affordable housing policies tailored to regional needs. For example, Gujarat's Affordable Housing Policy promotes PPP models, while Rajasthan's Chief Minister's Jan Awas Yojana focuses on affordable housing for EWS and LIG categories. These policies complement national initiatives by addressing state-specific challenges in housing development.

10. Fiscal and Tax Incentives

The government provides fiscal and tax incentives to developers and homebuyers to encourage affordable housing. For example, Section 80-IBA of the Income Tax Act ¹⁸ offers tax benefits to developers of affordable housing projects, while exemptions on GST (Goods and Services Tax) for affordable housing make homes more economical for buyers.

II. IMPACT OF INDIA'S ZONING LAWS, LAND ACQUISITION POLICIES AND URBAN PLANNING REGULATIONS

India's zoning laws, land acquisition policies, and urban planning regulations play a significant role in addressing the demand for affordable housing. However, their effectiveness is often hindered by implementation challenges, outdated frameworks, and bureaucratic hurdles.

Zoning Laws

Zoning laws in India, governed by state-level **Town and Country Planning Acts**, determine the allocation of land for residential, commercial, and industrial purposes. While these regulations theoretically ensure the availability of land for affordable housing, the lack of updated master plans and inconsistencies in implementation often result in limited land availability for low-cost housing projects. Moreover, land that could be used for affordable

¹⁷ Kumar, P, "International Perspectives on Affordable Housing: Lessons for India" in Proceedings of the National Conference on Urban Planning and Development (2019) 23-25

¹⁸ s 80-IBA, Income-tax Act, 1961 (India)

housing is often classified for other uses, creating scarcity in urban areas. The zoning laws¹⁹ also tend to favor large-scale commercial and residential developments over affordable housing, further exacerbating the housing crisis.

Land Acquisition Policies

The **Land Acquisition, Rehabilitation, and Resettlement (LARR) Act, 2013**, regulates the acquisition of land for public purposes and ensures fair compensation for affected landowners. While the law aims to balance development with social justice, its complexity and the requirement for consent from a significant portion of landowners often delay the acquisition process. This can slow down the implementation of affordable housing projects, especially in urban centers where land is scarce. Additionally, long land acquisition processes lead to project delays and cost overruns, making affordable housing less feasible.

Urban Planning Regulations

Urban planning in India involves long-term strategies that allocate resources for housing, infrastructure, and amenities. However, urban planning regulations often fail to keep pace with rapid urbanization. Many cities struggle with inadequate infrastructure, lack of integration between housing and public services, and inefficiencies in land utilization. The regulatory burden and slow approval processes in urban planning create bottlenecks that delay the construction of affordable housing.

III.ROLE OF PUBLIC-PRIVATE PARTNERSHIP AND ITS LEGAL FRAMEWORK

Public-private partnerships (PPPs) can play a crucial role in accelerating affordable housing development in India by leveraging both government resources and private sector efficiency. Strengthening PPPs within the legal framework is essential to overcoming the current housing challenges, including limited land availability, financing constraints, and project delays.

Legal Framework Enhancements

To strengthen PPPs, the legal framework must be revised to encourage greater private sector

¹⁹ "How Do Zoning Regulations Affect Housing Affordability in India?" (online) (Carnegie Endowment for International Peace, 2024) (available at: <https://carnegieendowment.org/events/2024/03/how-do-zoning-regulations-affect-housing-affordability-in-india?lang=en>) (cited 2024-12-30)

participation. This can be achieved by creating clear, standardized contracts that outline the roles and responsibilities of both parties. For example, the government could introduce more flexible **land-use regulations** and provide easier access to land for affordable housing projects. Legal provisions can be made to fast-track approval processes, reducing the delays often caused by bureaucratic hurdles. Additionally, **tax incentives** and **subsidies** could be offered to private developers, ensuring that the projects remain financially viable while keeping the cost of housing affordable for end-users.

Risk Mitigation Mechanisms

One of the primary concerns for private developers in affordable housing projects is the risk associated with land acquisition, project delays, and cost overruns. The government can mitigate these risks by offering guarantees or forming joint ventures where both parties share the financial and operational risks. Clear **dispute resolution mechanisms**²⁰ in PPP contracts would further ensure that conflicts between public and private entities are swiftly resolved, encouraging smoother collaboration.

Financial Support

The government can play a key role in financing PPPs through innovative funding mechanisms like **housing finance institutions**, which provide loans at lower interest rates for affordable housing projects. Strengthening **credit-linked subsidy schemes** (as under PMAY) and offering guarantees for project loans can reduce the financial burden on private developers, making affordable housing more attractive for investment.

IV. CHALLENGES

India's affordable housing policies face several implementation challenges²¹ that hinder their success in addressing the growing demand for housing. These challenges are primarily related to land acquisition, bureaucratic inefficiencies, financial constraints, infrastructure gaps, and issues with construction quality and accountability.

²⁰ Bindal, A, "Dispute Resolution in Public-Private Partnerships: Need, Importance and Various Mechanisms" (2023) IV International Journal of Law and Management Studies 29

²¹ C, Chetana, "Challenges in Affordable Housing Sector in India" (2022) 10(3) INTERNATIONAL JOURNAL OF ENGINEERING RESEARCH & TECHNOLOGY (IJERT) (NCA-2022)

1. Land Acquisition Issues

One of the most significant barriers to affordable housing development in India is the difficulty in acquiring land. Despite the **Land Acquisition, Rehabilitation, and Resettlement (LARR) Act, 2013** aiming to protect the rights of displaced people, the process remains lengthy and complex. The need for consent from landowners and affected parties often leads to delays, while urban land is limited and expensive. Additionally, land designated for housing is often encumbered by existing legal issues, complicating the acquisition process.

2. Bureaucratic and Regulatory Delays

Approval processes for housing projects are plagued by bureaucratic inefficiencies and delays²². Developers often face long wait times for the necessary clearances, permits, and approvals from various government agencies. These delays in regulatory approvals, particularly in land use, environmental clearances, and building permissions, can prolong the construction process and increase project costs, making affordable housing less viable for developers.

3. Financial Constraints

Affordable housing projects face substantial financial challenges²³, particularly in securing funding. Developers may hesitate to invest in affordable housing due to low-profit margins compared to more lucrative high-end residential developments. Additionally, the high cost of land and construction materials further drives up costs. The lack of adequate financial instruments for both developers and low-income buyers makes it difficult for projects to be financially sustainable.

4. Lack of Infrastructure Integration

Affordable housing projects often struggle with inadequate infrastructure²⁴. The provision of

²² Gupta, N, "The Challenges in 'Affordable Housing' for Urban Poor in India – Deciphering the 'Housing for All by 2022' - A Comprehensive Approach to Decrement Housing Shortage – A Case Study of Delhi" (2018) 9(7) International Journal of Scientific & Engineering Research 1 (ISSN 2229-5518)

²³ Svatantra Micro Housing Finance Corporation, "Challenges with Affordable Housing Loans for LIG/EWS" (online) (available at: <https://svatantramhfc.com/blogs/challenges-with-affordable-housing-loans-for-LIG-EWS> (cited 2024-12-30))

²⁴ Kshitij Batra et al, "India Infrastructure Report: Making Housing Affordable" (Report, Artha Global, 3 October 2018) (link available: <https://artha.global/reports/india-infrastructure-report-making-housing-affordable/> (cited 2024-12-30))

basic services such as water, sanitation, electricity, and roads is not always integrated into housing developments. This lack of basic infrastructure makes even low-cost homes unliveable and reduces their long-term sustainability. In some cases, infrastructure is either delayed or underdeveloped, leading to difficulties for residents in accessing essential services.

5. Quality and Accountability Issues

Ensuring the quality of construction in affordable housing projects is a persistent challenge. Developers, under pressure to keep costs low, may compromise on building standards, resulting in subpar construction that may not meet safety or durability requirements. Additionally, the absence of effective monitoring mechanisms means that the quality of construction can vary widely between different projects, affecting the safety and well-being of residents.

These challenges demonstrate the complexity of affordable housing development in India and the need for comprehensive and coordinated efforts to address them. Without resolving these issues, the gap between housing demand and supply is likely to persist.

V. RECOMMENDATIONS

1. Simplify Land Acquisition Processes

Land acquisition remains a major bottleneck in affordable housing development²⁵. Reforms in the LARR Act, 2013, should focus on reducing consent requirements for projects of public importance while ensuring fair compensation for landowners. Governments should establish public land banks to reserve underutilized or government-owned land for housing projects. Additionally, land pooling schemes can be introduced, where landowners voluntarily contribute land for development and receive a share of the benefits, reducing delays and disputes in the acquisition process.

2. Implement Single-Window Clearance

Bureaucratic delays in obtaining clearances for housing projects often lead to increased costs and timelines. A single-window clearance system should be implemented to streamline and

²⁵ "Improving the Implementation of Affordable Housing in India: Issue Identification and Needs Assessment Report" (Report, WRICities India, June 2019) (available at: https://www.wricitiesindia.org/sites/default/files/Issue_Identification.pdf) (cited 2024-12-31)

consolidate approval processes, ensuring that developers can secure all necessary permits—such as land use, environmental, and building approvals—through a centralized platform. This would not only save time but also reduce the risk of corruption and inefficiencies associated with multi-departmental approvals.

3. Strengthen Financial Incentives

Affordable housing projects often face financial challenges due to low margins. Governments should provide tax rebates, subsidies on construction materials, and low-interest loans to developers to improve project viability. Funding mechanisms like the Affordable Housing Fund (AHF) under the National Housing Bank should be expanded to ensure adequate financing for developers and homebuyers. Additionally, strengthening microfinance institutions and offering interest subsidies for economically weaker sections (EWS) and low-income groups (LIG) would enhance affordability for end-users.

4. Integrate Infrastructure Development

Affordable housing cannot succeed without adequate infrastructure such as roads, water supply, electricity, and sanitation. Urban planning policies should mandate that infrastructure development is integrated into housing projects from the planning stage. Mixed-use urban development should also be encouraged to ensure that housing projects are well-connected and equipped with amenities like schools, healthcare, and public transportation. Dedicated government funds should be allocated to support infrastructure development in and around affordable housing areas.

5. Enhance Regulatory Oversight

Regulatory mechanisms like the Real Estate (Regulation and Development) Act, 2016 (RERA) should be further strengthened to ensure transparency, accountability, and quality in affordable housing projects. RERA²⁶ should enforce stricter penalties on developers for project delays or substandard construction. Regular audits and monitoring of projects by independent bodies should also be mandated to ensure compliance with safety and quality standards, particularly

²⁶ "RERA and Affordable Housing: Making Dream Homes Accessible" (Blog Post, Godrej Properties, date unknown) (available at: <https://www.godrejproperties.com/blog/rera-and-affordable-housing-making-dream-homes-accessible>) (cited 2025-01-01)

in low-cost housing initiatives.

6. Promote Green and Cost-Effective Construction

Sustainable construction practices should be encouraged to make affordable housing environmentally friendly²⁷ and cost-efficient. Developers should be incentivized to adopt green building techniques, such as the use of prefabricated materials, modular construction, and compliance with the Energy Conservation Building Code (ECBC). These practices not only reduce environmental impact but also lower construction costs and timelines.

7. Encourage Public-Private Partnerships (PPPs)

Strengthening public-private partnerships (PPPs) is crucial for leveraging private sector expertise and investment in affordable housing. Governments should reduce risks for private developers by offering viability gap funding, guaranteed returns on investment, and faster clearances. Collaborative models can be developed to ensure that private developers, in partnership with public authorities, can deliver housing projects efficiently while meeting affordability and quality benchmarks.

By addressing these key areas, the legal and regulatory framework can be optimized to foster an ecosystem that promotes the development of affordable housing at scale while ensuring inclusivity, sustainability, and quality.

VI. CONCLUSION

The legal frameworks for affordable housing development in India play a crucial role in bridging the gap between policy intent and on-ground implementation. While the existing frameworks, such as the Real Estate (Regulation and Development) Act (RERA), the Land Acquisition, Rehabilitation and Resettlement Act (LARR), and urban planning laws, provide a strong foundation, significant challenges remain in their execution. Issues like land acquisition delays, bureaucratic inefficiencies, financial constraints, and inadequate infrastructure integration hinder the achievement of affordable housing goals²⁸.

²⁷ Bradshaw, W, et al, The Costs and Benefits of Green Affordable Housing (New Ecology, 2005)

²⁸ "Affordable Housing to Drive Realty in 2018" (Economic Times, 2 January 2018) (<https://m.economictimes.com/wealth/personal-finance-news/affordable-housing-to-drive-realty-in-2018/articleshow/62333306.cms>) (cited 2025-01-01)

To bridge the divide between policy and practice, it is essential to reform and simplify these legal frameworks, ensuring that they are more inclusive, transparent, and efficient. Strengthening public-private partnerships (PPPs), streamlining approval processes, incentivizing sustainable construction, and integrating infrastructure development ²⁹are key steps toward fostering a more cohesive and effective system. Moreover, consistent monitoring and regulatory oversight can enhance accountability and build trust among stakeholders.

As India progresses toward its urbanization goals, a dynamic and adaptable legal framework is vital to meet the housing needs of its growing population, particularly vulnerable groups like the economically weaker sections (EWS) and low-income groups (LIG). By addressing implementation challenges and aligning policies with ground realities, India can move closer to its vision of "Housing for All" in a way that is inclusive, sustainable, and impactful. The interplay between legal reforms and practical strategies will ultimately determine the success of affordable housing development in the country.

²⁹ "City leads in affordable housing, says report" (The Times of India, date unknown) (available at https://www.google.com/amp/s/timesofindia.indiatimes.com/city/ahmedabad/city-leads-in-affordable-housing-says-report/amp_articleshow/116723724.cms) (cited 2025-01-01)