

# The Review on Policy for In-Situ Upgradation of Slums by Public Private Partnership

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## Abstract

The paper examines the policy option for Gujarat its seeks to condition of the poor on a large scale and reduce the population in slums. Addressing the problem requires first a diagnosis of the market at the city level and a recognition that slums are a result of the working of the market—not a failure of the market. This study examines the different programmed adopted for the slum improvement and recently adopted government policy ‘The Regulations for Rehabilitation and Redevelopment of the Slums 2010, Gujarat’, prepared on lines of Mumbai’s SRS model, the study highlights the roles of the stakeholders – Developer, competent authorities, slum dwellers and the external agency / non-governmental organization (NGO).

**Keyword- Gujarat policy, Slum, In-situ slum Redevelopment, Mumbai SRS Model**

## I. INTRODUCTION

In-situ slum redevelopment schemes, as per the ‘Regulations for Rehabilitation and Redevelopment of the Slums 2010’ have started in Ahmedabad city in around 12 slums and are at various stages of implementation. Prepared on similar lines of the Slum Rehabilitation Scheme (SRS) in Mumbai, these regulations were released in 2010 with the objective of in-situ redevelopment of slums (irrespective of their ownership) through private sector involvement and capturing value of land, through allowing increase in the Floor Space Index (FSI). The FSI increase allowed utilization of the same land better by increasing occupancy on the land. In a way, FSI increase is part of attempts to increase land supply in the cities. It is also a measure to incentivize the private sector to take up slum redevelopment activity, which otherwise is not profitable for them. However, until the 2012 amendments of the SRS regulations, which offered more relaxations in terms of usage of FSI to the developers, it failed to bring in a good response from the developers in the State.

## II. REVIEW OF SLUM DEVELOPMENT SCHEME

Many programmes adopting different approaches have been designed and implemented in India to increase the access of urban poor to land and basic services. While the first subsection discusses these programmes, the second sub-section reviews the SRS in Mumbai, where the programme has seen the widest implementation across all the cities in India.

### A. Slum Development Programme in India

While on one hand, nationalisation of land was gaining ground in India during the seventies along with importance of land tenure as being next only to food and water in urban areas. on the other hand, housing experts advocated the governments to shift their focus from providing direct public housing to enabling communities to choose and develop their housing. With tenure regularisation, slum improvement and upgradation and sites and services being the viable policy options to improve the access of urban poor to land and provision of serviced land, many governments focussed on the same with assistance of multilateral and bilateral agencies. Though the Urban Land Ceiling and Regulation Act (ULCRA), 1976 was introduced with the objective of increasing the access of urban poor to land, the contradicting results of this act are widely known.

The Urban Community Development (UCD) programme, launched in 1966 as a centrally sponsored scheme. This programme aimed to involve the community in the improvement of slum (included provision of facilities such as sewer lines, public stand-posts, roads, street lights etc.), provision of health facilities and the construction of dwelling units (included as a part of the project), thereby reducing the cost of the project and for the post-project maintenance. It was successfully implemented in Hyderabad<sup>2</sup> in three major stages, namely, granting pattas (tenure regularisation), finalising the layout plan of the colony and actual construction of the dwelling units. The project has delivered nearly 20,000 pattas and upgraded 12,000 houses.

Both Environmental Improvement of Urban Slums (EIUS) and Slum Improvement Programme (SIP) were concerned with the physical improvement of slums through provision of a standard package of community facilities, such as provision of watertaps, open drains for outflow of wastewater, storm water drains, community bath and latrines, widening and paving of existing lanes and street lighting. However, both programmes were restricted to authorised / notified slums. Both schemes differed in terms

of implementation, the former being implemented through the grants of the central government while under the latter, in some instances the slum dwellers had to pay back the total cost of improvement.

Launched in 1972 with total assistance from the central government, the EIUS was transferred to the state sector under the Minimum Needs Programme (MNP) during the Fifth Five Year Plan. Part of the funds was required to come from the state government. In the Eighth Five Year Plan, the scheme was taken up along with Urban Basic Services for the Poor (UBSP), Low Cost Sanitation (LCS), and Nehru Rojgar Yojana (NRY) under the Urban Poverty Alleviation Programme. This scheme's coverage remained inadequate because very low grant per family was made available.

The Urban Basic Services for Poor (UBSP) was an integrated approach to improve conditions in the slums. Though, its focus was on women and children, the entire population benefited from it. The components of the programme were health and nutrition, education for women and children, water supply and sanitation (included installation of hand-pumps and construction of low cost pour-flush latrines), training of community workers and development of community organisations in the slums. Part of the programme cost was also shared by the user. This programme was initiated by the UNICEF in 1976 and since then the financial participation of the central government, the state government and the UNICEF was in the proportion of 20:40:40. This programme differed from the EIUS / SIP in two major aspects. First, unlike the EIUS / SIP, it was an integrated programme and not mere physical improvement of slum. Secondly, it required financial as well as organisational participation of slum dwellers, thereby reduced the possibilities of future displacements. The UBSP was discontinued in 1997 (during the Ninth Five Year Plan).

The Slum Networking Programme (SNP), a slum improvement programme with the participation of beneficiaries, has been implemented in some of the cities of Gujarat and Madhya Pradesh. This partnership-based slum development programme has community at its core, partnering with the social institutions, industry organization (private sector), local government (the implementing agency) and the NGO acting as a facilitator for providing physical and social infrastructure and extending education and health facilities like non-formal education programmes, maternal and child health in the slums. The programme had two components: (i) Improvement in physical environment which contained individual water supply, latrines and sewerage connections, paving of the streets, garbage collection, street lighting and tree plantation; (ii) community development and social infrastructure involving formation of neighborhood groups, women's groups and youth groups with the active involvement of NGOs. While the beneficiaries contributed up to 30 per cent of the cost, the remaining cost was shared by the private sector and the local authority. In Ahmedabad, though slums covered under the SNP were given tenure security in form of a no-eviction guarantee by the AMC for a period of 10 years, some of them were demolished for various city development projects.

The Sites and Services (S&S) Schemes, introduced during the Fifth Five Year Plan, mainly made serviced urban land in small lot size accessible to the poor who were expected to construct their houses primarily through self-help. The scheme gained impetus only after involvement of the World Bank. The S&S schemes financed by the World Bank in India had several options relating to plot size for people in different income groups within the EWS category and even LIG and MIG housing. By the 1980s and through the 1990s, international agencies led by the World Bank advised governments to refrain from any direct role in housing provision. Instead, they had recommended the governments to rely on market-actors and enable housing provision through policies of decentralization, privatization, deregulation and demand-driven development (World Bank 1993).

The Slum Upgradation Programme (SUP) was started in the Fifth Five Year Plan at the instance of the World Bank and mainly provided shelter and basic services. The SUP was of two types, one where the pattas were given to individual households on a freehold basis. The MUDP-I and II and the TUDP were examples of this. Under the second type, land was leased out to the community on a collective basis, in case of Bombay which is explained below. In Bombay, the SUP was launched in 1985 in collaboration with the World Bank and the Bombay Municipal Corporation (BMC). Besides providing some civic amenities, it envisaged slum co-operatives to undertake slum development in exchange for transfer of land tenure in form of 30-year lease and provided housing loans in order to facilitate self-improvement to improve the quality of housing in slums.

Though giving of land pattas (tenure regularization) to the slum dwellers was an acceptable policy option, only few state governments had initiated this policy through legislation. For example, Madhya Pradesh government passed legislation in 1984 to confer tenurial rights for a period of 30 years on leasehold basis to households squatting on public land; in Delhi, unauthorized colonies were regularized which included giving of pattas. However, in both cases, achievement levels were low owing to limited coverage of the policy and problems in the implementation process.

Under the Jawaharlal Nehru Urban Renewal Mission (JNNURM), both Basic Services for the Urban Poor (BSUP) and the Integrated Housing and Slum Development Programme (IHSDP) aimed to provide housing and basic services to the urban poor. Huge amount of funding was channelized by all three tiers of the government for public housing. While both the schemes intended to include all slum improvement / upgradation / relocation projects including upgradation / new construction of houses and provision of basic services to the urban poor, on the contrary they adopted the approach of merely constructing new housing units mostly in the peripheral areas of the cities and not in-situ. Besides location of housing, these programmes faced issues related to selection of beneficiaries, allotment process and quality of housing. In many cities, like Bangalore and Hyderabad, the housing stock has remained unused and unoccupied. While in the city of Ahmedabad, the BSUP housing have been used to resettle families displaced from the city's slums for various development projects in the city.

Introduced in 2009-10, the Rajiv Awas Yojana (RAY) programme envisaged a 'Slum-free India' by encouraging States / Union Territories to tackle the problem of existing slums in a definitive manner and increasing the supply of land and small housing for the new migrants while universalizing basic services. Like BSUP, it also acknowledged that in-situ rehabilitation and upgrading along with provision of tenure security of housing was a more successful approach. It focused on the idea of a contextual case-to-

case basis approach to slum redevelopment, with the understanding that one-size does not fit all. However, the new government in 2014 has decided to discontinue this programme.

### *B. Review of SRS in Mumbai*

In 1991, the state government launched the Slum Redevelopment Scheme (SRD) to improve the living conditions of slums. This was the first attempt to involve promoters like owners / developers / co-operative housing societies (CHSGs) / NGOs in execution of in-situ redevelopment under the condition that slum dwellers would be resettled on the original site in houses of 17-21 sq. mt. of carpet area and that they were to pay around Rs. 15,000-18,000 per house as their contribution towards the building. To make this scheme feasible, it allowed project promoters to develop additional floor space on the slum land by increasing maximum allowed built-up area, measured in terms of FSI / FAR upto 2.5 whereas the normal FSI for the island city was 1.33 and for the suburbs was 1 at that time. By taking advantage of the scarcity of land in the island city, introduction of the SRD was the first comprehensive step taken by the state government towards market-oriented approach which was advocated by the World Bank since long. This was to provide carrot of additional FSI to the private developers, who ruled the real estate market and also had one of the strongest political lobbies, to undertake the slum redevelopment programme. The promoter was allowed to make a 'free sale component' within the same plot with the unutilized FSI after rehabilitating all the households on the site. The developer was allowed to sell such buildings / dwelling units to cross-subsidize the rehabilitation component. A special committee, named the SRD Committee, consisting of bureaucrats and political representatives from the state government and the BMC was established for project approvals.

## **III. THE REGULATION FOR REHABILITATION AND REDEVELOPMENT OF SLUMS 2010**

In 2010, the Urban Development and Urban Housing Department (UD & UHD) of Government of Gujarat (GoG) released 'The Regulation for the Rehabilitation and Redevelopment of the Slums 2010'. These regulations, constituted under the Gujarat Town Planning and Urban Development Act (GTPUDA), 1976, were for in-situ redevelopment of slums (irrespective of their ownership – public or private) through participation of the private sector (developer). The regulations provide for: (a) a fully serviced dwelling unit (DU), minimum 36 sq.mt. built-up area (excluding common areas) to all eligible slum dwellers and (b) social infrastructure on the site depending on the size of the settlement. In addition to the

DUs required to rehabilitate slum dwellers, the developer was required to construct minimum 10 per cent of extra DUs, to be surrendered to the Prescribed Authority (PA), which could be the Municipal Commissioner or the Chief Executive Authority in the Municipal Corporation or Collector & Chairman of District Urban Development Agency in the Municipality area, for the use as an extra housing stock to rehabilitate PAPs. Thereafter, if additional unutilized land remained, the developer could develop it for commercial purposes after acquiring it from the authority at 100 per cent of prevailing Jantri rates. The last provision was stated as it was envisaged that only the slums on public land would be eligible for the programme. The beneficiaries could transfer / sell DUs only after 20 years from date of possession. The regulations defined an eligible slum resident as 'a slum dweller who is not a foreign national and is an occupant of hutment for a period of minimum of 10 years and has domicile of Gujarat for 25 years or his / her descendent.' The required occupancy proofs included copies of any two of the following documents: ration card, electricity bill, proof of being in the electoral rolls and any other proof as decided by the authority. However, during surveys conducted for collection of occupancy proofs by NGOs, it was realised that though the residents were occupants of hutments since 10 years, they did not possess the requisite documents. Instead, they had other documents validating 10 years of occupancy such as school leaving certificate of children, birth / death certificate, wedding invitation cards, jewellery bills, etc. With pressure from various stakeholders, the State Government amended definition of eligible slum dweller as 'slum dweller registered by the competent authority in their slum survey conducted as on or before December 1, 2010' (GoG 2011). Under these surveys, each covered hutment was allotted a unique Household Identification Number (HIN).

The regulations made it mandatory for the developer to acquire consent of at least 75 per cent of occupants of the settlement being considered under the scheme. However, the course of action for remaining 25 per cent residents was not mentioned. Thus, it is yet unclear whether they would eventually join the scheme voluntarily or coercively or would be evicted from their present location. Besides, the developer had to form a registered CHSG or association consisting of 11-12 members of the settlement to whom the SRS project would be handed over to for future maintenance, after obtaining the certification of completion from the authority. The developed also had to give the competent authority an amount equivalent to 10 per cent of the project cost, which would be transferred to the CHSG later on. During the process of construction (i.e. from vacating the site until completion of construction), the developer was required to provide transit accommodation to the eligible slum residents.

After obtaining necessary clearances from multiple departments at the corporation level, the developer had to submit the proposed rehabilitation scheme to the Slum Rehabilitation Committee (SRC) comprising of senior officials from the Municipal Corporation, Urban Development Authority and the UD & UHD, whichever is the PA. Once the SRC approved, the the State-level UD & UHD had to finally approve the scheme. Once all the sanctions are obtained, the PA had to appoint a consultant to supervise quality and timely execution of the project. The. Under the sub-section 1 of Section 3 of the Act, any area which is a source of danger to the health, safety or morals of the inhabitants of the area or of its neighborhood, by reason of the area being low-lying, insanitary, squalid, overcrowded or is unfit for human habitation or by reason of dilapidation, over-crowding, faulty arrangement and design of such buildings, narrowness or faulty arrangement of trees, lack of ventilation, light or sanitation factors or any

combination of these factors be detrimental to safety, health or morals may be declared as slum area by the State Government. This was followed with a circular by the State Government to the Municipal corporation providing further clarifications on roles and responsibilities of the developer as well as the competent authority. The important points included: carried out by the developer within the time period of three years from the date of approval.

- If in case, the eligible beneficiaries were holding hutments of more area or commercial establishment than area prescribed in the regulations,
- At the time of issue of permission, the competent authority had to scrutinize and verify area calculations for common plot, built-up area, FSI and common facilities. It also had to scrutinize details of physical infrastructure like water supply, drainage, street lighting and social infrastructure like school, welfare centre, dispensary, balwadi, society office and ensure they are in accordance with the regulations.
- The concerned municipal corporation issued a final permission for the scheme to make land available for particular use and verified the number of eligible beneficiaries. In case of any differences / discrepancies, the municipal corporation were given power to amend and then approve the proposal.
- Development of the approved scheme / slum had to be then it was the responsibility of the developer to convince them and make them accept the lesser area or the developer could provide area as per demand of the beneficiaries.
- As these regulations offered a DU in lieu of an existing hutment / slum house without considering household size and area of the existing hutment of the beneficiary, availing consent of the beneficiaries with large household size or holding hutment area larger than that prescribed in the regulations had posed a challenge for the developer.

#### IV. CASE STUDY

Located in Ward No.15, Kailashnagar is situated opposite to the Sabarmati Police Quarters and Ram Nagar BRTS station in the West Zone of Ahmedabad. Situated on a low lying terrain (i.e. on an open nalah), the settlement remained inundated during monsoons and implementation of SNP was not feasible here. Hence, basic infrastructure services such as individual tap water, drainage, pucca roads etc., were lacking. The internal lanes were partially laid with stones. The residents fetched water from the common water tap located within the settlement.



Fig. 1: Location of site area and its slums pockets

While land ownership details were being gathered, simultaneously the Mahila housing trust commenced a survey to identify eligible beneficiaries for the rehabilitated scheme. Around 43 hutments were falling within the roughly demarcated plot boundaries. efforts of the MHT and other stakeholders, eligibility criteria were redefined and those covered under the biometric based Socio-Economic survey. Consent forms of all eligible beneficiaries along with copies of their available documents, details of the biometric based Socio-Economic Survey, financial statements of the firm for last three years were included in the proposal by the developer. The developer had submitted a proposal for 65 DUs (considering 10 per cent extra nits) to the SRC. After approving the proposal, the SRC submitted it to the UD & UHD, State Government for final consent. After approval from the State Government, any revision in the proposal such as increase in number of eligible beneficiaries meant re-approval of the SRC. The UD & UHD approved this proposal.

