

REVIEW

A Housing Alternative for Mumbai

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Nivara Hakk Suraksha Samiti welcomes the State Government's concern for housing 50 lakh slum-dwellers. The Samiti however does not agree with the announcements made thereof and how it proposes to tackle this astronomical task. The fundamental premises of the new policy are no different from the present Slum Redevelopment Policy (SRD) launched in 1991 by the previous Government, which is admittedly hardly taken off.

It is certainly a priority for the city to end the inhuman and oppressive living conditions that exist in the slums and on pavements where more than 60% of our city's population live. Rather than tackling this issue, the Government has often reacted by demolishing and evicting slums. This has led to a constant state of uncertainty and fear amongst the slum-dwellers, thus alienating them from the state's programmes. Since the Shiv Sena - BJP government has come to power, demolitions have continued without any consideration for the slum-dwellers and without any alternate rehabilitation programme, even as the government has been announcing the new housing policy. Demolition of Maharashtra Nagar at Bandra East, Shivaji Nagar at Juhu, Matangarh and Pimpri Pada in Malad are a few examples of the recent demolitions.

Simultaneously, in continuance of the previous Government's privatisation policy, the new Government has been shirking its own responsibilities and inviting and luring business houses to take-over the responsibility of housing. The present S.R.D. Scheme with enhanced 2.5 F.S.I. as a bonus to builders and developers is in-fact a proposal in this direction and thereby runs contrary to the needs and

aspirations of the millions of slum-dwellers in the city. The policy completely ignores the energies, capabilities and skills that people possess and which if given the opportunity, can contribute immensely towards construction and development of their own housing. Both, the government's Slum Redevelopment Scheme and the privatisation thrust in housing would lead to more and more displacements of the slum-dwellers, who would be forced out to find their own alternatives, thereby building slums at other locations.

The present housing policy for slums will not succeed, caught in its own web of contradictions. As a matter of fact the S.R.D. Scheme will not even attract big and established builders and developers. With many other alternatives available for investment and opportunities on alternative sites for construction, the builders will choose not to get entangled with the complexities of slum lands. Under the S.R.D. Schemes, returns on investments would take a much longer time to realise. The developer has to also face many uncertainties and opposition in the slums. There are differences amongst the slum-dwellers and contradictory influences of political parties and non-governmental organisations (NGO's), pulling them in different directions. Encroachments and land grab by builders and Slum-Lord on slum-sites induces a sense of fear and insecurity amongst the slum-dwellers. They are therefore hesitant in vacating their sites and handing over possession to the Builders. Will they get their houses back? And when? What will be their condition in transit? Can transit facilities be made available on alternate sites and locations if a massive slum rehousing scheme is undertaken? Another important issue coming in the way of redevelopment

schemes is the question of recognition of slum-dwellers and cut-off dates for eligibility. There is also the aspect of lack of trust between the slum-dwellers and the builder, making the S.R.D. Schemes under the present policy non-operative and irrelevant.

Housing for 50 lakh slum-dwellers will require construction of nearly 10 lakh units. Under the present S.R.D. programme with 2.5 F.S.I. for slum lands (expected to be raised further upto 5), another approximately 6.5 lakh housing units will be built (refer Annexure -1) simultaneously for the middle and higher income groups with the surplus F.S.I. of 1.5, while the slum-dwellers housing will consume approximately an F.S.I. of one. Today in the city, the entire industry put together constructs about 20,000 housing units per year. At this present rate, the construction of 16.5 lakh housing units will thereof take more than 80 years. Can this task be achieved in just 5 years as has been announced by Mr. Afzalpurkar, who

ANNEXURE - I

Additional construction due to surplus F.S.I. under S.R.D.

50 lakh slum-dwellers will require about 10 lakh housing units.

10 lakh units x average of 300 sft. super built-up area per unit = 300,000,000 sft.

For 300,000,000 sft. construction an additional construction of MIG & HIG units will be 450,000,000 sft. (we are assuming a F.S.I. of 1.5 for additional construction).

450,000,000 total area.

700 average area per unit

= 6,42,857 units

Say, 6.5 lakh units

is heading a special committee constituted by the present Government to frame the housing policy for slums? To undertake this ambitious programme, an investment of nearly Rs. 33,000 crores will have to be mobilised for construction of houses alone. Needless to say, almost a similar investment will be required simultaneously for support services and infrastructure. What are the plans for the industry to expand 20 fold? How will building materials and other resources including finance be mobilised? The construction of 16.5 lakh housing units will house nearly 80 lakh people and would amount to rebuilding Mumbai in just 5 years.

With big and established builders turning away, a set of new generation of developers will come-in to try and take charge. They will initially be presented to be progressive and will hold several meetings in the slums. By a combination of persuasion and force, they will persuade the slum-dwellers to join the scheme. They will seek police support, influence corrupt officials, attack people in the slums and not hesitate to carry-out demolitions by engaging private armies. We already have several; examples of this. The case of Squatters Colony in Goregaon and Shivaji Nagar in Jogeshwari (East), to name a few. This agitates the slum dwellers who will then strongly oppose the S.R.D. Schemes. As a matter of fact, these petty developers, due to their own incapacities and inexperience in the industry, will be damaging to the scheme itself. Due to these various reasons, the S.R.D. policy with 2.5 F.S.I. launched since 1991 has received very little response. In the past 4 years only about 180 schemes under this programme have been submitted to the B.M.C. for approval, of which only about 69 proposals have

been cleared, while not a single project has been completed so far.

The Government expects the private sector to mobilise the required finance and undertake responsibility for housing. In the major projects undertaken by private sector, the developer borrows finances from public and semi-public financial institutions, be they Banks, the Housing and Urban Development Corporation (HUDCO), Housing Development Finance Corporation (HDFC), National Housing Bank (NHB), etc. As a matter of fact, most often project reports have inflated budgetary figures and borrowings which cover the entire project cost. Simultaneously, cash-flow requirements are met with by collecting contributions from individual buyers. The question, therefore, is not of shortage of funds, but of its misutilisation. It amounts to encouraging private profiteering from public funds and promoting business interest in real-estate.

Instead, if the finances from public institutions are made available directly to the Co-operatives and to individuals, the highly inflated real estate values would drop and the burden on housing finance would reduce substantially. As a result, more numbers of schemes will be covered by the available finances. As for guarantee of returns, the individual's house or shares in the co-operative could be mortgaged as security. HDFC is a highly successful example providing direct finance to individuals and Co-operatives and there could be no operational or feasibility doubts in this method of direct finance.

Floor Space Index (FSI) : As a part of the plan for luring Builders and Investors to undertake responsibility of housing, the Government does not hesitate in raising the F.S.I. for slum

ANNEXURE - 2

Finance for 50 lakh Slum-dwellers Housing

For Housing 50 lakh slum-dwellers - 10,00,000 housing units are needed. Assume a super built-up area of each unit to be 300 square feet.

Total Built-up area is therefore 300,000,000 square feet. Assume cost of construction to be Rs. 400/- per square feet, Total cost of 10 lakh units is therefore Rs. 12,000 crores.

Due to enhanced F.S.I. of 2.5 under S.R.D. Schemes, nearly 6 lakh units will be constructed for middle and higher income groups simultaneously.

The total cost of construction is therefore Rs. 21,000 crores. Assume cost of construction to be Rs. 500/- per square feet. Assume average built-up area of each unit as 700 square feet. Total built-up area of 6 lakh units is approximately 420,000,000 sq.ft.

Total cost of construction under S.R.D. schemes for 50 lakh slum-dwellers is Rs. 12,000 + Rs. 21,000 = Rs. 33,000 crores.

lands upto 2.5 from 1.0 in the suburbs and 1.33 in the city. From indications available, the Government is considering of raising the F.S.I. further upto 5. Why is the F.S.I. not being raised to 15 as it is in Hong-Kong? on what basis is F.S.I. fixed?

Higher F.S.I. raises the density, that means the number of people on a particular land area increases and the average land area per person reduces, leading to degeneration of environment. Under the present S.R.D. Schemes having 2.5 F.S.I., the average land area per person reduces to a low of 37 sq.ft. As against this, in a scheme for middle and high income groups having an F.S.I. of one, the average land area per person is nearly 100 sq.ft. If slums are redeveloped without any additional F.S.I., then the average land

area per person is about 60 sq.ft. (refer Annexure-3). Increase in density will also exert additional pressure on our existing services and infrastructure, which are already insufficient and dilapidated, thus leading to further deterioration of living conditions in the city.

To rebuild slums and undertake such massive housing programme, the Government has not announced any plans for building and restructuring the services such as water supply, sewerage, garbage disposal etc. Even when Builders and Developers undertake the responsibility of housing, they do fall back on the Government for amenities. Therefore, any solution that encourages building activity at the cost of lowering the standard of amenities is going to be counterproductive. The State will have to therefore, intervene and undertake the responsibility of infrastructure, services and environmental upgradation.

Higher F.S.I. such as 2.5 or 5 or more will also lead to high-rise, expensive development and therefore, further and further away from anything to do with poor. High-rise buildings are much more costly than low-rise ones, not only in its initial construction but also for its maintenance. To maintain these structures, the slum dwellers will have to fall back on hired management and technical skills which they just cannot afford to do. Inability to pay high maintenance costs in high-rise structures may force them to sell out and move back to slum-like conditions, thereby defeating the rehousing schemes.

Today, in most slums, people not only live but work there too. Under the S.R.D. Schemes, work places will be demolished leading to economic displacement of large numbers of slum-dwellers. Also, the new housing

environment may not be conducive to the existing economic activities. Thus the present S.R.D. Scheme disrupts the existing social and economic fabric of the slums, because of which people oppose it. In the large Squatters Colony slum at Chincholi, Malad East, more than 300 'waraq' or 'chandiwalla' families opposed the scheme due to this fear.

Land and Urban Land Ceiling & Regulations Act (ULC) : Under the proposed rehousing scheme, nearly 15 lakh housing units will be built. This will provide housing to more than 75 lakh people, thus fulfilling the housing shortage in the city. In this case, would there than be any need for allowing development of other housing plots? Thus, construction permissions should

ANNEXURE - 3

A - Land Area per person under S.R.D. Scheme

Assume a slum site having 1,50,000 sft. plot area. With 2.5 F.S.I., construction allowed will be for 3,75,000 sft.

1,50,000 sft. will be utilised for slum-dwellers and 2,25,000 sft. for middle and high income groups (assuming F.S.I. of 1.00 approx. for slum-dwellers housing.)

1,50,000 sft. for Slum-dwellers will have approximately 500 units housing 2,500 people (Area per unit being 300 square feet)

2,25,000 sft. for MIG & HIG will have approximately 300 units housing 1,500 people (Area per unit being 700 square feet)

Therefore total population on site = 2,500 + 1,500 = 4,000

Average land area per person is $\frac{1,50,000 \text{ plot area}}{4,000 \text{ people}} = 37.5 \text{ sq.ft. per person}$

Therefore per acre the number of people living will be..... $\frac{48,400 \text{ sq. ft.}}{37.5 \text{ sq.ft.}} = 258 \text{ tenaments approx.}$

This density cannot be achieved in design unless we go high-rise.

B - Land area per person under our proposal for independent developments

Slum land - Slum Dwellers Housing

Assume site as 1,50,000 sft. area and F.S.I. as 1.0. This will house 500 units having 2,500 people (300 sft. super built-up area per unit)

Therefore, $\frac{1,50,000 \text{ plot}}{2,500 \text{ people}} = 60 \text{ sft. per person}$

Therefore density per acre of land will be 806 persons or 161 tenaments.

Middle and High income group housing

Assume site as 1,50,000 sft. area with F. S. I. - 1.33 (0.33 as suggested incentive)

Total construction area will be 1,99,500 sft.

This will house 285 units having 1425 people (700 sft. built-up area per unit)

Therefore, $\frac{1,50,000 \text{ plot}}{1,425 \text{ people}} = 105.2 \text{ sft. per person}$

Therefore density per acre of land will be 526 persons or 105 tenaments.

not be mobilised for this social priority. If alternatives for investment and housing are available, then the builders will turn away from the slum rehousing schemes and will continue to build more houses for middle and higher income groups. The production of middle and high income group of houses will therefore be far disproportionate to the needs, leading to a further surplus in this category and encouraging speculation in real estate.

To make the new slum rehousing programme successful, it will be necessary to seize all surplus and vacant land available for housing. The Urban Land Ceiling and Regulations Act has to be strictly implemented. It is not true to say that the ULC has come in the way of development in housing as argued by a large section of the industry. If Lands under ULC are released under present conditions, then they would be developed for housing of middle and high income groups and, therefore, it would in no way contribute to fulfilling the shortfall in housing for the poor.

THE ALTERNATIVE

Our proposal is to harness the collective strength of the six million slum-dwellers in the housing programme for them. All facilities and incentives must be provided to encourage peoples participation. The responsibility must be provided to redevelopment schemes & must be entrusted to the slum-dwellers themselves with incentives. Simultaneously the Government must shift its focus from contribution of houses to developing services and infrastructure.

1. The first prerequisite for installing confidence amongst slum-dwellers is to recognise all slums and abolish the divide-and-rule policy of cut-off dates. Simultaneously the sites occupied by slums must be regularised with

minimum displacements. However, slums that are on important reservations, as stipulated in the Development Plan, all whose development is essential for the city, and slums that are on dangerous sites should be vacated but after allotment and development of alternate sites.

2. Under the Slum Redevelopment programme by the people, no surplus F.S.I. on slum lands will be allowed, thereby denying land grab by developers and sub-division of slum-lands for promoting business interest. As the total slum site will be available for slum dwellers housing, the existing social and economic structures within the slums can be maintained minimising displacements. New plans and reconstruction programmes will allow mixed development, for living and working in the slums. The present restriction of commercial activities in residential developments will have to be changed for slums and D.C. rules amended.

3. As for incentive to co-operative and individual efforts in housing, the government must provide direct finance from financial institutions. Also subsidised building materials must be made available through control shops (like the concept of ration shops).

Both the availability of direct finance and subsidised building materials will tremendously excite the slum dwellers in undertaking the renovation and reconstruction of their houses on their own. 50 lakh people working and rebuilding their own houses, will lead to a radical change in the housing environment within a very short time.

4. Under our development proposal, the houses will be Ground and Ground + one or two upper stories high, enabling easy repairs and maintenance directly under the control of the users. There would, therefore, be less

ANNEXURE - 4

Our Proposal for Cross Subsidy

Slum Land

Assume Plot area as
1,50,000 sft.

F. S. I. suggested as
1 (one)

Total built-up area allowed :
1,50,000 square feet

Construction cost :
Rs. 6/- crores assuming Rs. 400/-
per sft as construction cost.

Site Development and
Services etc. cost :
Rs. 1 crore approx.
* Rs. 7 crores

Other Housing Site

Plot Area as
1,50,000 sft.

F. S. I. suggested as
1.33 (prevailing F. S. I. is 1.0 in
suburbs)

Total built-up area allowed :
1,99,500 sft.

Construction under additional
F. S. I. :
49,500 sft. (0.33 F. S. I.)

Sale of additional F. S. I.
@ Rs. 4,000/-/sft. being average
market price
Rs. 19.8 crores

Deducting construction
cost @ Rs. 500/- sft. :
Rs. 2.47 crores

Also deduct cost of Slum
Development :
* Rs. 7 crores

Net Profit
Rs. 10.33 crores less professional
fees and other incidental
expenses.

dependency on hired skills and services. This will encourage peoples participation in decision making and will inculcate a greater sense of belonging resulting in personalisation of spaces and structures. While the

construction of houses will be the individual's prerogative, the restricting of the slum-layout, roads, services, open spaces etc., could be a collective effort with governmental support.

5. Development programmes for each slum will have to be evolved independently and relevant guidelines fixed. Even F.S.I. for each slum may vary to enable housing for all the slum-dwellers on as-is-where-is basis. Each slum has its own peculiar situation and needs. For example what will apply for Dharavi may not be relevant for another slum in Jogeshwari and vice-versa. Therefore, within the main policy framework, individual development strategies will have to be evolved. This will encourage peoples participation in decision making.

6. For undertaking slum redevelopment programmes, it will be necessary to draw support and contributions from the building industry. Builders and Developers who are engaged in business in real-estate and housing owe a great deal to the city and its development. We therefore propose that they may be given for every slum development undertaken by them and additional F.S.I. incentive of 0.33 on their other housing sites (having one F.S.I. in the suburbs) being developed for middle and high income groups. However the total F.S.I. on their site should not exceed 1.33 times the built-up area of the slum housing having a F.S.I. of one (refer Annexure - 4). The construction of slum houses could either be directly undertaken by the development if the slum-dwellers so choose, or else the financial contribution is made to the slum co-operative. The different operating regulations to guard the interests of slum development programme under this proposal needs to be worked out. This idea should not be construed as Transfer of Development Rights

(TDR) as under the present policy. We are not proposing to hike the F.S.I. for slum-lands and allow for transfer of the surplus F.S.I. to any other site or project. There would be no trading with T. D. R. certificates in the market as under the prevailing government policy. We are given to understand that the present Government is considering increasing F.S.I. for slum-lands upto 3 with sanctions for T.D.R. We strongly oppose any such move by the Government.

7. Under this concept of development, land under ULC could be proportionately released to developers with conditions of slum housing tie-ups. This, in any case, is the fundamental objective of the ULC, that is to utilise surplus and vacant land for housing the poor.

8. As this debate and discussion on the housing policy is being carried out and the government is evolving its housing programmes for rehabilitation and development of slum-lands, there must be a total stop to indiscriminate demolitions in the city.

9. Government and Governmental agencies particularly the Bombay Municipal Corporation and its different ward offices must be responsible for protection of their land from encroachments.

Encroachments are made by both slum-dwellers and by different business interests that include real-estate agents, slum-lords, builders and developers. The anti-socials and those in land business carry-out their activities in close nexus with the municipal officials, the police and different agencies or of the government including certain Corporators and politicians. We therefore propose that the concerned officials of the government and the Municipal Corporation be held equally

ANNEXURE - 5

Density under our scheme of independent housing developments

Refer to Annexure - 3 B for calculations of average land area per person under our proposal.

For slum-dwellers it is 60 sq. feet per person with F. S. I. - 1 and for middle and high income groups it is 105 square feet per person with F. S. I. - 1.33.

Therefore the average land area per person in the total housing development programme is 82.5 square feet as against 37 square feet per person under present S. R. D. scheme with 2.5 F. S. I. (refer annexure - 3 A)

Therefore in 48,400 square feet (One Acre) the number of people living will be 586.

responsible and strong action initiated against them and the anti-socials. Slum dwellers and their Organisation will in-fact support the government in fighting these encroachments and land-grab. Nivara Hakk has been continuously exposing these anti-socials and their nexus. The case of Borivali National Park and its encroachments is a clear example of this issue. While Nivara Hakk has been exposing the various agents and slum-lords doing business and selling forest lands, private armies with the support of the police have been attacking the Samitis activists.

Thus our idea of independent developments of slum lands and housing schemes for middle and higher income groups on other sites with 0.33 additional F.S.I. will generate a more balanced density and equitable distribution of land (refer Annexure-5) leading to balanced distribution of services and infrastructure. This will contribute immensely towards a better housing environment in the city of Mumbai.

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