

Govt vows to clean up MHADA colonies

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FINALLY, there's hope on the horizon for those living in old MHADA colonies. With a view to putting an end on delays and irregularities by builders in redeveloping 56 (MHADA) colonies that are 40 to 50 years old, the State government has decided to formulate a new policy that would not only streamline the process but also prevent exploitation of tenants.

According to the existing policy, the government grants 1.2 FSI, which is 20 per cent more than the admissible FSI of 1, to MHADA (Maharashtra Housing and Area Development Authority) colonies where at least 60 per cent of the tenements are for lower income groups. The devel-

Work pending			
Location	Layout approved	Unused FSI (sq m)	
Gandhi Nagar, Bandra	15.03.2005	43,744	
Shastri Nagar, Goregaon	28.12.1998	20,320	
Siddharth Nagar, Goregaon	20.11.2006	1,17,429	
Tilak Nagar, Chembur	17.07.1997	2,29,844	
Pant Nagar, Ghatkopar	29.08.1997	78,457	
D N Nagar, Andheri	26.10.1999	39,129	

oper is allowed to use TDR on such constructions.

Under normal circumstances, developers obtain approval from tenants and get additional FSI for reconstruction. The tenants are shifted elsewhere and paid Rs 4,000 to Rs 5,000 as rent till their own buildings are reconstructed. The developer is required to provide 330 sq ft flats to tenants and use the remaining space commercially. Usually, two or three-storied old buildings are reconstructed as seven-storied buildings.

However, there have been widespread complaints against developers who make tall promises of providing larger flats of about 500 sq ft, but later cite rules and dole out flats of only 330 sq ft. Developers have also been accused of conniving with MHADA officials for getting 2.4 FSI, pressuring tenants for their consent and invariably delaying reconstruction.

Now, the government seems to have woken up this. "A time has come to reconsider the existing policy

of redevelopment of MHADA colonies," Chief Minister Vilasrao Deshmukh said in the Assembly on Monday.

"We are going to come out with a new, comprehensive policy to address the various issues. We'll remove the ceiling of 330 sq ft (on tenements admissible for tenants in the reconstructed building); provide uniform FSI to all such buildings; make it mandatory to use FSI meant for lower income group for the same group and not for higher income groups; cancel the waiting list (of proposals pending approval); formulate revised FSI norms; and remove the condition of first-come first-serve to provide uniformity."

Deshmukh said the idea behind the proposed changes was to bring in transparency in the develop-

ment of MHADA colonies and prevent exploitation of tenants. He said the government was aware of irregularities committed by developers in various colonies.

Pointing out that MHADA's duty was to construct new buildings and not reconstruct old buildings, Deshmukh said if MHADA comes forward to execute such projects, the government would grant permission. He added the government had no problems if tenants form a cooperative or authorized a developer for reconstructing old buildings.

Referring to demands for additional FSI, the chief minister said all societies demanded 2.4 FSI which was not possible, as the BMC had set an upper limit of 2.4 FSI on any plot of land.

According to Datta Nalawade, who raised a call-

New thinking

- Ceiling of 330 sq ft area of tenement (for tenants in reconstructed building) to go
- Uniform FSI to be granted to all cooperative societies redeveloping MHADA colonies
- FSI for lower income group would not be transferred to higher income group
- Waiting list to be cancelled
- First-come first-serve norm to go
- Revised FSI norms to be declared soon

ing attention motion on the issue, the layout of the MHADA colony at D N Nagar, Andheri, had been sanctioned in 1999 but the buildings were still incomplete.

He alleged for the past two years, the developer had also stopped paying Rs 4,000 to Rs 5,000 per month to tenants as rent.

Six more BIT chawls to be redeveloped

Civic body's Improvements Committee to hear proposal to hand over prime plots to private builders

Nresh Kamath
Mumbai, July 9



development in what some say is a sell out to the builder lobby.

After it gave two Bombay Improvement Trust (BIT) chawls in Agripada to a builder to redevelop in May, the Brihanmumbai Municipal Corporation (BMC) now wants to give away six chawls at Bhindi Bazaar's Imamwada to MK Enterprises.

According to the proposal, MK Enterprises will have to construct 707 houses for the current tenants of BIT chawls 1.5 and 7 and give the BMC 12,647 sq ft area (built-up land).

In return, the company would get approximately 1 lakh sq ft as built-up area. Currently, the property rates in Bhindi Bazaar hover around Rs 6,000 per square foot. So MK Enterprises stands to gain Rs 80 crore in the process. The civic body will not reap any monetary benefit.

"This is a complete sell out to the builder lobby," said Nationalist Congress Party corporator Vidya Chavan. "Civic officials are taking proposals favourable to the builders. The builders should be made to

In a nutshell

- BMC will hear a proposal to give six chawls at Bhindi Bazaar's Imamwada to MK Enterprises.
- MK Enterprises will have to construct 707 houses and give BMC 12,647 sq ft area. In return, it would get 1 lakh sq ft built-up area.
- MK Enterprises stands to gain Rs 80 crore in the process.

share the profits as this is public land," she said.

MK Enterprises partner Ibrahim Momin said it was a win-win proposal. "The BMC and tenants are getting new buildings without investing a single rupee. In addition, I am offering Rs 1 lakh as sinking fund to each tenant," said Momin.

Improvement Committee Chairman Shailesh Phanse said redevelopment would improve residents' quality of life. "The residents are living in dilapidated structures and repairs are not possible. The proposal has been prepared after getting the consent of the residents," said Phanse.

Town planners said infrastructure should be simultaneously developed. "Facilities like water supply and sewage should not be strained due to such development," said Sudhir Borani, town planner.



The Bombay Improvement Trust (BIT) chawl near JJ Hospital is one of six chawls that the civic body wants to redevelop.

Housing Mumbai's Poor

Shailesh Gandhi

Right to housing has been declared to be a basic right for all people, and yet, particularly in the large urban centers, it has been found almost impossible to implement this right meaningfully. I am reasonably familiar with the situation in Mumbai as also the frauds masquerading as solutions towards this problem. I shall attempt here to offer a tentative framework which could perhaps act as a starting point for this exercise. I know about Mumbai, and am therefore focusing on a solution for this City, but this could have some pointers to solutions in other urban centers as well. There will be flaws in the arguments advanced here; but I would urge the reader to think of changes which are necessary to remove the weaknesses in the proposal offered here. Perhaps we can use this to begin a journey towards finding a viable solution.

Let us start with an attempt to define the issue. It is evident that a significant inflow of people will keep coming to Mumbai and other urban centers, until we address the issue of providing livelihoods to people in the rural areas. In that case, we have to assume that cut-off dates, or any solution to restrict people coming to cities is not an option; these would be illegal and also impossible to implement. There have been various attempts to remove the problem of slums in Mumbai since 1971, but the only consistent result they have obtained is an exponential increase in the slums. The conditions in which the slum dwellers live are dehumanizing, and these become big sources of support for crimes and corruption. The Slum Rehabilitation Scheme was brought in Maharashtra by the Shiv Sena-BJP in 1997 and basically, it sought to depend on the milk of human

kindness of private builders to ensure low cost houses for the poor. To implement the scheme, a body called the Slum Redevelopment Authority (SRA) was set up with very vast powers. SRA was given the powers to declare any area as a Slum, and a Slum Redevelopment Scheme could be started there with the concurrence of 70% of the slum dwellers. SRA can take over any land and has virtually been given unchecked powers to deliver this laudable social objective.

Traditionally, it has been looked after by the Chief Minister. The scheme is usually initiated by a builder. He has to show the concurrence of 70% of the slum dwellers residing in a location. The concept was that all slum dwellers who were staying in Mumbai before 1995, would be given free housing of 225 square feet (equal to 21 Sq.Mtr.) and an equivalent area could be built and sold by the builder to offset the construction of the free houses to be given to slum dwellers. If the land belonged to the Government it was given free,

and if it belonged to a private person, some compensation would be given to him. The private builders do not have any significant milk of human kindness and are more often driven by vile greed. Hence the scheme has failed to make any significant contribution to the problem of housing for the poor. The scheme suffered from a few fatal flaws. First it promised a free house to people based on an arbitrary date on which they were in the City, which evidently lead to a mad scramble to become eligible for the free house. These tenements are worth 5 lacs to 50 lacs at present prices, depending on the area! In any urban city, property prices are basically a function of land prices and vary hugely depending on the area. On the other hand, construction cost variation is not really area-linked. For low cost housing the construction cost is in the range of 8000 to 12000 rupees per sq.mtr. We will take an average price of construction as rupees 10000 per sq. mtr. Thus the equation works in a manner that the developer invests in the construction cost of two tenements-

one to be given free for the slum dweller, and the other which he is free to sell. He invests about 4.42 lacs 2 and could sell the property which is his share for 5 lacs to 50 lacs! It is obvious that the main contributor for prices for houses is the land price. The Slum redevelopment policy does not factor the question of land prices at all. Many other policies, the market redevelopment policy, the Caretaker Policy and so on,- are designed without any reference to the hugely different land prices. Thus they are designed for arbitrariness and corruption. They invite the greed of human beings. When property prices were much lower a decade back, the scheme did not attract too many takers, but as the property prices have skyrocketed in the last few years, the SRA has attracted all the greedy criminals to adopt a variety of ways to exploit this. If a slum dweller who came to Mumbai say in 1996 can change his data to prove he was in Mumbai a year earlier, he will get a free house worth 5 to 50 lacs! And what about the Citizen who came in 2001? He is expected to live in Mumbai in a slum, and so their tribe will grow. Some people have suggested that Indians who are not Mumbaikars will be banned somehow. This is against the Constitution and is neither feasible nor desirable. It is also an irony that the same people who suggest such hair-brained policies, will welcome foreigners to come to Mumbai! Such approaches cannot work. The Courts in the meanwhile pronounce loftily that shelter is basic right for everybody. At other times, they authorize demolition of slums! Everybody knows they are not solving any problems, only describing them. With the present SRA schemes, the builders, politicians, officials and mafia have been able to earn fantastic amounts if they can increase the number of fake slum dwellers, take over Public lands by having even one hut there, coercing slum dwellers into acquiescing in their scheme and so on. Well known celebrities too have had their names registered as slum dwellers! SRA has claimed that it has sanctioned 2,31,000 tenements until June, 2007. If we take the average sale price of the free sale component at 22 lacs,

and assume that all genuine Slum dwellers are being given their legitimate dwellings and no bogus names have been introduced, the value of the legitimate sale component for developers comes to about 50,000 crores! By introducing fake names, appropriating Public lands where there were no slums, canceling the names of the actual slum dwellers and so on, a great bonus of around 20,000 crores is added to this. Criminal complaints have been filed for forgery, intimidation, criminal assault, bribery, appropriation of Public lands covering almost all the sections of the Indian Penal Code with the Anti-Corruption Bureau, and various police stations across Mumbai. The State Government has officially taken a position that no Police investigations are taking place as required under the Criminal procedure Code since it would affect the morale of its officers! The State is openly implementing the Protection of Corruption Act.

Having looked at the present scenario, is there a solution which can address the right of people to get a house in Mumbai or such other Urban centers? I believe it is possible to achieve this and am suggesting a possible solution. Perhaps it could be the starting point for a rational search for a resolution. First let us look at the flaws in the present scheme. Any process, which seeks to confer ownership of property worth 4 to 50 lacs gratis will give rise to the desire for dishonesty amongst Citizens and will be seen by those who do not get this largesse as unfair. It will create the desire to get this by any means. Since it has no rational basis for the profit of the developers, it tempts them to finding ways of illegally increasing their profits to absurd levels. This combination of greed of developers and Citizens is an ideal and fertile ground for spread of lawlessness and corruption. This in turn leads to a vested interest in this arrangement and its continuance, amongst the Public servants, politicians and the mafia. A good recipe for designing corruption, and the attendant illegal activities. Let us first look at what I feel are the fundamental fatal flaws in the

assumptions of the present Slum Rehabilitation Schemes. Firstly while we recognize the right of a Citizen to have shelter, it does not imply that this means the right to own a house for free. Secondly, as designed at present it is left to private builders to execute it, with no rational basis for the formula of this supposedly 'one for one free' scheme. Land as we all know has varying values depending on location, whereas construction cost variables are much lower. Also, any scheme which looks at arbitrarily conferring special rights on those who came before a particular date, is refusing to look at the issue of migration from rural to urban areas being a fact of life.

Starting from identifying these issues, i am making the following assumptions to attempt developing a solutions:

1. We need to ensure shelter, not ownership of property.
2. Citizens in urban areas have some capability of paying and must be made to pay for shelter. The fact is most families in slums are presently paying over 300 rupees each month to the slumlords for their meager water and electricity.
3. In Mumbai,- and other urban centers, poor will migrate to the cities. Hence any solution will have to think of those who come in future.
4. We need to build enough shelters so that a scarcity does not prevail.

My basic assumption is that if we provide shelters

for about 1 crore people in Mumbai in the next five years, there would be no scarcity. If we build 17 lac tenements of an area of 23 sq. mtrs and 4000 dormitories of 1500 sq. mtrs. with a capacity to house 500 people each, we could meet the housing requirements for the next five years. This would take care of the needs for shelter for about 1 crore people. Scarcity of shelter could become history. If the average tenement houses 4.7 people this would mean a capability of housing 79.9 lac people in tenements and 20 lac people in dormitories. Those who wish to stay in tenements could be asked to give Rs. 7000 as a refundable deposit and a lease rental of Rs. 400 could be charged monthly, with an escalation of Rs. 40 each year for a period of 15 years. At the end of 15 years, people must be told that the lease conditions would be renegotiated. Some would hopefully move out into owned flats. It should be possible maintain these tenements at Rs.150 per month which would leave a sum of about 500 crores annually which could be used to build more facilities ever year.

For dormitories people could come every evening and for 8 rupees a night, be given a covered shelter to sleep with a bed, toilets and a facility for a bath. At a cost of Rs.8 per person, it would be possible to pay for the maintenance cost of the dormitories A concept of this nature of providing shelters for the homeless exists in Countries like the US as well. So far, this is sounding like expressions of fond desires. Please read on with some patience. The total land area

Table 1: Cost of Construction of Homes for Slum Dwellers in Mumbai

	Numbers	Total Built-up Area (in Lakh sq m)	People Accommodated (in Lakh)	Construction Cost @ 8,000 Per sq m (Rs Crore)
Tenements (23 sq m each)	17 lakh	391	79.9	31,280
Dormitories (1,500 sq m each)	4,000	60	20	4,800
Total		451	99.9	36,080

required for this would be 22.5 sq. kms.,- on an assumption of a FSI of 2.-spread over Mumbai. Presently according to most data slums are spread over a much larger area. The cost of construction,- assuming a reasonable Rs. 8000 per sq.mtr.,- will come to about 36 thousand crores. I am presenting this data in a tabular form below:
At 2 FSI 451 lac sq.mtrs. would require 225.55 lac sq.mts. viz. less than 23 sq.kms. By most accounts the slums are spread over 10% of the 437 sq. kms. of Mumbai. This means that presently about 43 sq. kms. are already covered by slums. Thus the land is already available and occupied by slums.

The State must undertake this project and get the construction done through contractors, and so called Public-Private partnerships will only lead to a one-way transaction; the Public gives and the private developers take. The questions that naturally come to mind are:

- 1. Why will it not get hijacked by the affording class moving in?
- 2. Where will the money come from?

There are a large number of supposed low-cost houses which are used only by the rich, by combining the tenements. To the first question i think we need to look at designing the tenements in such a manner that they are for those who are presently prepared to live in slums and are willing to forgo some aspirational needs. A private toilet is a strong aspiration for most home owners. The tenements built under such a scheme should have only common toilet blocks, be typically four storeyed ground plus three and have no lifts. Since the tenements would be leased by Government, and no alterations of any kind would be permitted in the tenements. No painting or any change should be permitted and a coat of whitewash would be applied by the State every alternate year. Incidentally, the chawls in Mumbai have precisely these features, and have housed many people. I believe by refusing to allow all the aspirations of upward moving social classes, it would be possible to ensure it does not get hijacked by those who can

afford to buy flats. There may also be other means of ensuring that the tenements cannot be combined. Refusal to confer ownership rights, and a strict adherence to laws,- which could even be specially framed to address the needs of such a scheme,- could make is possible to provide shelter in such abundance that nobody needs to be without shelter. Also, we need to enforce the conditions of lease very seriously, just as private owners of property do presently. We have the land, and it appears possible to provide for shelters for anyone who needs it in Mumbai. However, where will the money come from? I am suggesting one source which has been allowed to bleed Public revenue without any legal or moral justification.

Where is the money for this?

Using RTI i have obtained information from the City and Suburban Collectors that 600 acres of land in the island city and 597 acres in the suburbs have lessees whose leases have expired long back and they are being allowed to continue illegal occupation paying the original lease rents. The total lease rent being paid by 553 people occupying 1197 acres of land, without any legal right to occupy these Public lands is about 5.8 crores. If we assume a lease rental of 4 crores per acre average for the suburbs, and 10 crores for the City,- which is entirely possible,- it would mean an annual income from Public properties where leases have expired of Rs.8388 crores. If we get our due revenue of 8000 crores annually, we could execute the plan for housing one crore people. In the first 5 years we would need about 36,000 crores, and our revenue could be about 40,000 crores by getting our rightful share of revenue. The property belongs to us, and is presently in the hands of 553 lessees illegally, because of connivance and negligence of the Government. A few examples of these are shown in Table 2.

I had filed a complaint with the Chief Secretary of Maharashtra in 2005. He argued that it was

Table 2: Land Area in Mumbai Where Leases Have Expired

Area	Name of Lessee	Area Sq m	Lease Rent Paid (Yearly) (in Rs)	Lease Period (Years)	Expired In
Colaba	Sterling Investment Corporation	2217	1	21	1959
Mazgaon	Wallace Flour Mills	29345	76.81	99	1992
Mazgaon	Shapurji Pallonji	25507	1644.54	99	2002
Mazgaon	Shivdas Chapsi	10047	6.57	99	1972
Byculla	Simplex Mills	7836	48.81	99	1983
Malabar Hill	Prithvi Cotton Mills	1132	3.53	99	1986
Dadar	Bharati Cine Enterprises	3470	546.54	50	1976
Lower Parel	National Rayon Corporation	4427	327.21	21	1985
Bandra	Gauri Khan and Shahrukh Khan	2446	2325	30	1981
Bandra	Mrs Gracy Martha Lopez	27330	1400	30	1981
Juhu	Sun 'N Sand Hotel	1036	1004.4	2	1970

Source: Information given by the office of the collector, city of Mumbai, January 23, 2007 and the office of the Mumbai suburban collector, January 10, 2007 in reply to applications under the Right to Information (RTI) Act.

difficult for them to get favourable Court orders in these matters. I pointed out to him that the Government regularly acquires lands owned by Citizens even when Citizens do not wish to part with their lands, and hence the Government's claim that they cannot acquire their own land back was untenable. The Secretaries in Mantralaya, and other functionaries have been making a show of discussing the matter for the last two years, under pressure because of my RTI applications, without any seriousness. This is perhaps a result of carelessness and corruption. The solution lies in Citizens across the spectrum putting pressure on the political establishments of all parties to get us our rightful dues and resolve the issue of housing and slums. It can be done, and could be a fantastic opportunity for all Citizens. This matter can unite all Citizens, and give us a solution to our housing problems and after a few years,- give us a stream of additional revenue to improve our infrastructure.

This appears to be a feasible possibility if there

is political will. Given the way thingswork in Government;-or rather do not work,- it will not happen on its own. However, if Citizens and civil society organizations pursue it with consistence, it can happen. We do not aspire to be a Shanghai,- but we can certainly become a humane Mumbai.

Mera Bharat Mahaan..
Nahi Hai,
Per Yeh Dosh Mera Hai.

Note: 1 sq. mtr.= 10.7 sq.ft.
1 acre= 4087 sq. mtr.

- 1. The value of a residential property of 21 sq.mtrs. in Mumbai will be in the range of 18000 to 220000 per sq.mtr.
- 2. At a construction cost of Rs.10,000 per sq.mtr. the construction cost of one tenement will be Rs. 2,21,000, thus for two tenements the cost would be Rs. 4.42 lacs.