In-situ” Slum Redevelopment (ISSR) using Land as Resource

Ministry of Housing and Urban Poverty Alleviation
Government of India

Pradhan Mantri Awas Yojana (Urban)

Housing for All

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“सबका सपना…घर हो अपना”

for providing transit accommodation to the eligible slum dwellers during the construction period.

- All financial and non financial incentives and concessions, if any, should be integrated in the project and declared ‘a priori’ in the bid document. These incentives and concessions should also include contribution from beneficiaries/slum dwellers, if any.

- Sale of “free sale component” of project should be linked to the completion and transfer of slum rehabilitation component to the implementing agency/state. Such stipulation should be clearly provided in the bid document to avoid any complication.

- Slum rehabilitation component should be handed over to implementing agency to make allotments to eligible slum dwellers through a transparent process. While making the allotment, families with physically handicapped persons and senior citizens should be given priority for allotment on ground floor or lower floors.

- Open bidding for the slum redevelopment project may result either into a positive premium or negative premium. In case of positive premium, the developer who offers the highest positive premium while satisfying all other conditions should be selected. In case of negative premium, the implementing authority may select the bidder proposing lowest negative premium. Funds required to make the project viable can be made available either from slum rehabilitation grant of Central Government or own fund of States and ULBs as well as positive premium received from other projects.

- Any private participation, that demands substantial grants from Government, may not be encouraged. Slums can either be taken up later for development or Kutcha/unserviceable houses in such slums can be taken up under other components of the mission.

- States/UTs project planning and implementing authorities, ULBs should have a single project account for slum redevelopment project where positive premium, slum rehabilitation grant from Central Government, funds from State/UT Government or any other source is to be credited and used for financing all slum redevelopment projects with negative premium. Such accounts can be opened city-wise.

- Slum rehabilitation projects would require various approvals from different agencies as per prevailing rules and procedures in the States/UTs. Project development may also require changes in various development control rules. To facilitate such changes and for faster formulation and approval of projects, it is suggested that a single authority should be constituted with the responsibility to change planning and other norms and also for according approval to projects.

Funds required to make the project viable can be made available either from slum rehabilitation grant of Central Government or own fund of States and ULBs as well as positive premium received from other projects.
“In-situ” Slum Redevelopment (ISSR) using Land as Resource

“In-situ” slum rehabilitation using land as a resource with private participation for providing houses to eligible slum dwellers is an important component of the “Pradhan Mantri Awas Yojana (Urban) – Housing for All” mission. This approach aims to leverage the locked potential of land under slums to provide houses to the eligible slum dwellers bringing them into the formal urban settlement. Slums so redeveloped should compulsorily be denotified.

Eligibility

- Slums, whether on Central Government land/State Government land/ULB land, Private Land, should be taken up for “in-situ” redevelopment for providing houses to all eligible slum dwellers.
- Eligibility of the slum dwellers like cut-off date etc. will be decided by States/UTs preferably through legislation.

Highlights

- Additional Floor Area Ratio (FAR)/Floor Space Index (FSI)/Transferable Development Rights (TDR) for making slum redevelopment projects financially viable.
- Slum rehabilitation grant of Rs. 1 lakh per house, on an average, would be admissible for all houses built for eligible slum dwellers in all such projects.
- Beneficiary contribution in slum redevelopment project, if any, shall be decided and fixed by the States/UTs Government.
- State/UT Governments and cities would, if required, provide additional Floor Area Ratio (FAR)/Floor Space Index (FSI)/Transferable Development Rights (TDR) for making slum redevelopment projects financially viable.
- States/UTs will have the flexibility to deploy this central grant for other slums being redeveloped for providing houses to eligible slum dwellers with private participation, except slums on private land. It means that States/UTs can utilise more than Rs. 1 lakh per house in some projects and less in other projects but within overall average of Rs. 1 lakh per house calculated across the States/UTs.
- The per house upper ceiling of central assistance, if any, for such slum redevelopment projects would be decided by the Ministry.
- States/UTs may decide whether the houses constructed will be allotted on ownership rights or on renewable, mortgageable and inheritable leasehold rights.
- States/UTs may impose suitable restrictions on transfer of houses constructed under this component.
- “In-situ” redevelopment of slums on private owned lands for providing houses to eligible slum dwellers can be incentivised by State Governments/UTs or ULBs by giving additional FSI/FAR or TDR to land owner as per its policy. Central assistance cannot be used in such cases.
- A viable project would have two components i.e. “slum rehabilitation component” which provides housing along with basic civic infrastructure to eligible slum dwellers and a “free sale component” which will be available to developers for selling in the market so as to cross subsidize the project.

Implementation/Approach for slum rehabilitation with private partnership is outlined as below:

- All tenable slums as identified in Housing for All Plan of Action (HFAPA) of the city should be analysed with respect to their location, number of eligible slum dwellers in that slum, area of the slum land, market potential of the land (land value as per ready reckoner can be used), FAR/FSI available and density norms applicable to that piece of land etc.
- On the basis of analysis of slums, the implementing authorities should decide whether a particular slum can be redeveloped with private participation or not using land as a resource and to provide houses to eligible slum dwellers.

For making projects financially viable, in some cases, States/UTs and cities might have to provide additional FAR/FSI or TDR and relax density and other planning norms. States/UTs may also allow commercial usage for part of the land/FAR as mixed usage of the land.

States/UTs can also consider clubbing of nearby slums in clusters for in-situ redevelopment to make them financially and technically viable. Such cluster of slums can be considered as a single project.

While formulating the project, the project planning and implementing authorities should also decide the area of slum land which should be given to the private developers. In some cases, the area of slum may be more than what is required for rehabilitating all eligible slum dwellers plus free sale component for cross subsidizing the project. In such cases, project planning authorities should give only the required slum land to private developers and remaining slum land should be utilised for rehabilitating slums dwelling in other slums or for housing for other urban poor.

Slum dwellers through their association or other suitable means should be consulted while formulating redevelopment projects especially for the purpose of designing of slum rehabilitation component.

The private developers who will execute the slum redevelopment project should be selected through an open transparent bidding process. The eligibility criteria for prospective developers can be decided by States/UTs and ULBs. The scope of work of the prospective developers should be to conceive and to execute the project as mandated by the implementing agency using its financial and technical resources. The project developers would also be responsible.