

Journal of the Institute of Town Planners, India □ □ □ □ Vol. 9 □ □ □ □ No. 2 □ □ □ □ April - June 2012

Institute of Town Planners, India Journal 9 - 2, April - June 2012, 15 - 25



Slum Redevelopment in Cities: Current Approaches and Alternate Models

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Abstract

The formation of slums and their spread has not been new to states and the approaches to address it have been varying over the time. In particular, there has been a programmatic shift away from the removal of slums to the redevelopment of slums in Andhra Pradesh. However, developing the right kind of interventions that ensure provision of housing to these groups has come to a halt. Yet it is well laid down that autonomous action of redevelopment is difficult and would require agency support. Such approach offers some potential that needs to be harnessed through state level policy support and implementation models. In this paper, the varying approaches to slums are discussed first and then a framework is proposed for the redevelopment of slums under public private partnership. It also compares the current approach of government through Rajiv Awas Yojana to tackle the same.

1. INTRODUCTION

Andhra Pradesh has been witnessing a steady rise in urban population and the growth of urban areas both in absolute numbers as well as in terms of geographical area over the last more than two decades. The share of urban to total population has steadily risen from 20 percent in 1973-1974 to 27 percent in 2004-2005. Consequently, the number of people living in slums has also been on rise as a good amount of this growth is on account of immigration of population from rural areas in search of livelihoods. The problem of urban poor living in slums and squatter settlements, which keep on growing with the immigration (new families) as well as internal growth (expanded families), and concomitant rise of slums and squatter settlements is a critical challenge in the face of burgeoning problems of urban growth and population concentration in cities. It is widely held that cities are able to provide space for economic activities which have the services and products of the poor but unable to accommodate the immigrant population (MGI, 2010).

Government bodies and private developers are the major providers of land, housing and support infrastructure for urban development. Currently, there is no coordinated functioning between the two. While the private players may be serving the needs of well to do sections, they may be willing to develop housing for the poor if incentives are provided to them. While the state government has been playing an important role in this area, it may do it better if it creates an operational framework (regulation, policies and instruments) conducive for the private players to come forward and undertake execution role.

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Ramakrishna Nallathiga

15



Institute of Town Planners, India Journal 9 - 2, April - June 2012, 15 - 25

This paper, as a part of the study to develop a framework for the development of slums in urban areas of Andhra Pradesh under partnership model (CGG, 2008), provides a conceptual framework for the same in terms of:

- Suggesting a partnership approach to the redevelopment of slums in the state of Andhra Pradesh;
- Suggesting the creation of an exclusive slum redevelopment authority in the state to take up the activity in a mission mode and in a phased manner; and
- Outlining the slum redevelopment process that may be followed for phased implementation of the mission.

2. APPROACH TO HOUSING THE POOR LIVING IN SLUMS

From time to time, the approach for the development of housing for the urban poor living in slums in Andhra Pradesh has been built upon varying models of partnerships between central and state governments, ULBs and external (donor or lending) agencies. Broadly, the following major partnerships have been followed in the state for housing the urban poor.

- State Government and ULB partnerships;
- Rajiv Swagruha Scheme;
- INDIRAMMA Housing Scheme (Urban);
- Central Government and ULB partnerships;
- Slum Improvement Projects under ODA assistance;
- Housing under BSUP and IHSDP of JNNURM;
- External Agencies (Donor Agencies) and ULB partnership
- Andhra Pradesh Urban Services for the Poor;

The approach for housing for the urban poor living in the state has been either contextual (within the design of state government) or driven by central government or external agency support. The continuity of some of the projects has not been adequately thought of as most of the initiatives are taken in response to the need of day or situation. There is a need for a coherent policy framework and strategic approach to deal with the problem of housing urban poor more comprehensively. The INDIRAMMA housing scheme has some such features but alternative approaches with greater continuity may be required. Donor assisted schemes like the APUSP and SIP rightly addressed the need based concerns of urban poor, particularly those living in slum settlements. However, the demand based concerns are not effectively addressed in the current approaches that are designed for implementation in a top-down manner with larger role played by government.

Ramakrishna Nallathiga

16

Written by Administrator

Wednesday, 18 July 2012 00:00 - Last Updated Monday, 03 June 2013 08:03

Institute of Town Planners, India Journal 9 - 2, April - June 2012, 15 - 25



Besides the tried and tested models of public provision of housing, alternative approaches with concern for the demands of urban poor living in slums may be required to fill the gap. Further, with different schemes targeting select urban poor population, there is a scope for bringing exclusive focus on the urban poor living in slums and that too through integrated redevelopment of slums with the provision of shelter, services and security. This may be better done in a public-private partnership framework leveraging the resources as well as strengths of each partner such as government and private sector in the redevelopment of slums. The slum redevelopment programmes or schemes have also been dependent upon the funds available with the government or donor agencies, and hence are vulnerable to the changes in programme or annual budget priorities of respective agencies. It is possible to leverage the resources that were hitherto untapped such as the development value of land itself, especially in large to medium towns and cities. The focus can be brought on in situ housing for the urban poor, particularly slum dwellers.

Discussion above clearly outlines the need for an institution, slum redevelopment authority, to be created by the government, which would drive the initiative and focus on shelter and service delivery for the urban poor. Institutionalization of housing and support services for the improvement of slum settlements would also require a coordinating umbrella institution that would lay down the policy, strategy and implementation plan for slum redevelopment in a phased manner across the state. It is desirable, therefore, to set up an authority exclusively to address the above inadequacies as well as gaps of the current approach. Such authority may closely examine the option of redevelopment of slums under a partnership model as a supplementary measure to the current approach. The need for addressing the issue of slums and squatter settlements in urban areas through multiple interventions and multiple approaches has also been echoed in the Draft National Slum Policy, 2001.

3. INSTITUTIONALIZATION OF HOUSING AND SERVICE DELIVERY FOR THE URBAN POOR

One of the key strategies adopted by governments all over the world is the slum upgradation programs focusing on land tenure, housing and basic services. Bilateral and multilateral donor agencies have provided large scale support for slum upgradation projects and were quite instrumental in designing and implementing innovative shelter provision and service delivery mechanisms. Slum upgradation programs gradually evolved from government and agency driven programs to community and partnership driven programs. However, the focus of these programs till recent times has been project based which was characterized by external funding support, single agency implementation and isolation from overall institutional context for service delivery. The pro-poor housing projects bring about real improvements in the immediate environment

Ramakrishna Nallathiga

17



Institute of Town Planners, India Journal 9 - 2, April - June 2012, 15 - 25

of residents and the quality of life. The provision of infrastructure and tenure security also yield broader benefits by regularizing the status of communities in the eyes of municipal and other authorities and empowering residents to seek other services from their local government.

Slum upgrading and other urban service improvements need continuous support, institutional structure to drive achieving poverty reduction and environmental sustainability and to strengthen local governance and democratization. Lessons learned from projects implemented in the past have resulted in a shift in the approach from project based service delivery to programme based and institutionalized service delivery on a sustainable basis. The external agency (donor) funded projects designed to ensure this were successful in meeting this objective. However, efforts are needed to replicate and upscale these programs at state level for wider impact. In this context, lessons learned from the experiences of cities and states that have successfully implemented shelter and service delivery programs for the urban poor on a sustainable basis shall be useful. Chandigarh serves as a good example. (Box 1)

Box 1

CHANDIGARH SMALL FLATS SCHEME 2006: A SLUM REDEVELOPMENT INITIATIVE

The Chandigarh City Administration floated the above scheme in 2006 with Chandigarh Housing Board (CHB) as a Nodal agency for the implementation of scheme. CHB shall provide flats to the beneficiaries on a license fee basis, and they will get the ownership rights at the end of twenty years, on the payment of balance amount. The Administration has identified 9 different locations for the construction of these dwelling units. As a part of the project, a detailed socio-economic survey was carried out by the Infrastructure Development Finance Corporation (IDFC) to assist the board in developing the framework and restructuring operations for rehabilitation of slums in the city.

1. NOTABLE FEATURES OF THE SCHEME

1.1 Change in mode of allotment

For providing decent housing at affordable cost and to avoid pitfalls of earlier rehabilitation programmes, it was decided to provide accommodation (in the form of one room flats) on license fee basis to the slum dwellers. Based on the socio-economic survey conducted by IDFC, the paying capacity was fixed at Rs 1000 p.m. In order to ensure that there is no future encroachment on government land, it was decided that a family not included in bio-metric survey would not be eligible to get a house unit under this programme.

1.2 Security of Tenure

As a part of Chandigarh Small Flats Scheme-2006, the possession will continue to remain with the beneficiary for 20 years. The allotment is done jointly in the name of both husband & wife. Eviction is done only in case of allotment based

Ramakrishna Nallathiga

18

Written by Administrator

Wednesday, 18 July 2012 00:00 - Last Updated Monday, 03 June 2013 08:03

Institute of Town Planners, India Journal 9 - 2, April - June 2012, 15 - 25



on false information or non payment of License Fee. The option of conferring of ownership rights after 20 years to those who have been in continuous and lawful occupation of the flat. There is also a provision of Appellate Authority against any orders of the Competent Authority.

1.3 Promoting excellence through IT

Information technology (IT) was used in this rehabilitation program.

Biometric Survey: Bio-metric Survey was carried out in March 2006 to identify the extent and the number of slum dwellers in the city. It helped to prevent any duplicity in the identification of slum dwellers. This system also helped to build a permanent database of all existing slum families in city. As a result of this survey, slum population of Chandigarh was found to be 23,841 families, spread over 18 different colonies in the city.

Smart Cards: Each Eligible slum family was provided with a Smart Card under the scheme. This Card has all details along with the photograph of family printed on it. It also has details of license fee installments already paid by the beneficiary. This card may be used as an identity document when the beneficiary deposits his fee installments. The license fee is accepted only after the beneficiary has been biometrically identified. This helps to ascertain that the possession of property under question continues to be with the original beneficiary and has not been transferred.

SRISHTI (Slum Rehabilitation for Improvement, Security and Hygiene of Inhabitants): A unique application based on workflow system has been developed by CHB for computerizing the entire allotment process starting from submission of application to handing over physical possession. This software was successfully tested during the shifting of about 700 families during a camp. This application has certain unique features which greatly facilitate the entire process of allotment and at the same time helps filter out any ineligible occupants. The databases for voter list and biometric survey have been digitized, which reduced the search time greatly. Digital photography and biometric finger print recording is done to all applicants on the spot and coloured photos are printed on the allotment letter and the possession slip. This helps prevent sub-letting and transfer of the possession of flats. The entire process is carried out in real time Framework for redevelopment of slums in AP and comprehensive MIS report generation module has been developed, which results in effective monitoring.

1.4 Simplification of Procedures

The allotment is conducted at a camp organized by CHB, wherein officials from all relevant departments are present, which ensures on the spot completion of procedures and reduces cost and time overruns for beneficiaries. As a result of these innovations, the total processing time for an application has been brought down to a few hours as compared to several months that it used to take for allotment in earlier schemes.

1.5 Simplification of forms

The process of filing an application is also simplified, this is achieved by having:

Ramakrishna Nallathiga

19



Institute of Town Planners, India Journal 9 - 2, April - June 2012, 15 - 25

- A simple one page application form;
- No enclosure, attachment or proof required;
- Affidavits done away with, self-attestation to suffice;
- Single page allotment letter, possession slip and license deed;
- License deed not handed over to the allottee; and
- Eliminated all middlemen;

1.6 Project finance

As per the Chandigarh Small Flats Schemes 2006, CHB shall construct one room tenements along with development of all supporting infrastructure. The cost of land will also be borne by CHB. As the allottees are given house on predetermined licensee fee to make it affordable for them, CHB will be compensated by allowing exploitation of all the commercial areas within the project sites, revenues received by CHB out of the shopping areas. As per the scheme, a license deed will be signed with the licensee in which terms and conditions will be defined. CHB takes advance security equivalent to rent for three months to cover the component of unpaid rent, water and electricity bills, repair of damage to the property etc. in case of eviction. The licensee will be given the option of getting the title of the house after 20 years of the payment of full cost, which ranges from Rs. 4.2 to 14 Lakhs (depending on location) based on historical value.

The following are the key factors that could contribute to the institutionalization of sustainable shelter and service delivery mechanisms for replication and up scaling at the state level.

- **Provision of Infrastructure or Basic Services:** The institutionalization of sustainable service delivery approach needs to be situated in the context of either a specific project or the regular programme of service delivery to the poor. In the absence of this, poor communities may find it difficult to relate it to the process. Moreover, a sustainable approach requires substantial involvement of the community and its resources, and this requires the programme to be credible which will depend on its direct impact on the existing level of services;
- **Building Partnerships:** A sustainable approach to service delivery can be institutionalized only through a partnership approach involving the local government, other service providing public agencies, non-governmental organizations, community based organizations, private sector, donor agencies and the poor communities. The state and national governments should also be involved to gather political, legal and institutional support;
- **Community and Private Sector Participation:** A key factor in designing a sustainable program of service delivery is to involve the communities and the private sector in planning, implementation and monitoring of the process. Participatory planning approaches including micro planning and stakeholder

Ramakrishna Nallathiga

20

Written by Administrator

Wednesday, 18 July 2012 00:00 - Last Updated Monday, 03 June 2013 08:03

Institute of Town Planners, India Journal 9 - 2, April - June 2012, 15 - 25



consultations are quite useful in designing community participation. The objective of community participation should be to ensure community ownership of the created infrastructure. Private sector participation can be steered in the form of PPP models;

- **Cost Recovery Approaches:** Sustainability of shelter and service delivery requires that at least the operation and maintenance expenditures are recovered. Most of the times, pricing and cost recovery approaches including subsidies are inefficiently designed and poorly targeted. There is a lack of willingness to charge among the project implementing agencies due to an erroneous assumption that the poor cannot pay for the services. However, research studies show that the poor has the willingness to pay for improved services and they are already paying high amounts for alternative sources of service delivery. Financing models can be worked out with banks and other financial institutions so as to develop tariff policies that ensure cost recovery with targeted subsidies for those who are really poor;
- **Local Government Resources:** Local governments and other implementing agencies should find a way to raise resources locally instead of depending on donor agencies. This not only increases their commitment but also ensures the resources for continuation of the programme. One way of achieving this is to earmark certain percentage of annual budget exclusively for community development and service delivery to the poor. Alternatively, utilization of other idle but potential resources like land may be leveraged to develop it suitably with the partnership arrangements; and
- **Collective Effort of the Stakeholders:** The success of the process depends on the ability of stakeholders and partnering agencies to understand and contribute to the process and also on their willingness to work with each other. The stakeholders need to understand the overall process, project design, planning, and implementation issues. There is also a need for the stakeholders to be conversant with participatory planning approaches and understand the mode of implementation of partnership projects. This may also require some stakeholders like public officials making amendments to regulations that are hurdle to the redevelopment and non-governmental organizations and community-based organizations steering the poor communities;

4. PROPOSED APPROACH TO SLUM REDEVELOPMENT UNDER PUBLIC-PRIVATE PARTNERSHIP

Redevelopment of slums with the creation of slum redevelopment authority has to follow an approach shown in Fig. 1, which clearly sets out the various stages of implementation with some operational flexibility in each stage:

4.1 Constituting a Slum Redevelopment Authority at State Level

An exclusive authority for taking up slum redevelopment on a mission mode on the lines of SRA of Maharashtra may be constituted. This authority may be either newly created with the constituents coming from various concerned departments,

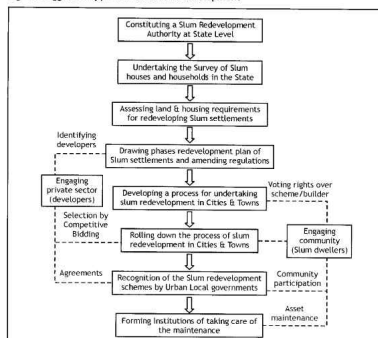
Ramakrishna Nallathiga

21



Institute of Town Planners, India Journal 9 - 2, April - June 2012, 15 - 25

Fig. 1 : Suggested Approach to Slum Redevelopment



agencies and bodies or existing bodies such as State Urban Development Authority may be reconstituted to undertake this role. In the case of creation of a new body, appropriate legislative approvals may be required before notification, and in the case of existing body, a notification to that effect may be given and an amendment may be required in the Act of concerned body.

4.2 Undertaking the Survey of Slum Houses and Households in the State

Slum redevelopment authority may at the outset undertake a comprehensive survey of slum settlements in the cities and towns of the state with the help of ULBs. The data base of notified as well as non-notified slums in towns and cities may already exist with several ULBs, which needs to be supplemented by data of new slum settlements that would have arisen after the last survey held by ULBs. The slum settlements that have been upgraded and brought on par with other areas, if done under the UCD schemes, SIP projects and APUSP, may be excluded from the coverage as they should have been de-notified as slums. This database may be further strengthened by checking it with the database of PDS

Ramakrishna Nallathiga

22

Written by Administrator

Wednesday, 18 July 2012 00:00 - Last Updated Monday, 03 June 2013 08:03

Institute of Town Planners, India Journal 9 - 2, April - June 2012, 15 - 25



card holders and electoral rolls. Also, given the good success of identification of slum residents using bio-metric survey in Chandigarh, the same may be adopted so that mission reaches only intended beneficiaries and that the attempts to get listed in multiple towns and cities are eliminated. The ULB-wise database needs to be consolidated so as to prepare a comprehensive database of slum households at the state level. The database shall also include the details such as type of house living at present, built area, ownership, and infrastructure.

4.3 Assessing Land and Housing Requirements for Redeveloping Slum Settlements

Based on the slum household survey, land and housing requirements need to be estimated. Here, it is important that the government takes a decision to provide the entitlement of slum household, which may be incorporated into the Act of the authority, for example, Maharashtra government has fixed it at 225 sq ft area per household. Based on this entitlement, built space requirements may be detailed out and accordingly the land requirements may be worked out. Land requirements are also dependent upon internal infrastructure to be created in slum settlements, which requires the ULBs to play an important role in determining the same. The slum dwellers may also be consulted on this. At this stage, it is important to check whether there are any impediments to the redevelopment of slum settlements. If local planning and development control regulations prescribe a larger minimum plot or dwelling unit size, lower development density and provision of good infrastructure facilities, they may act as real impediments to slum redevelopment. Likewise, if building control regulations prescribe ample provisions of building amenities e.g. stairs, fire space, toilets, etc., it is difficult to achieve slum redevelopment. Therefore, amendments or relaxations to planning, development and building regulations may be given in the concerned sections of the Town Planning Act, Development Control Regulations and building bye-laws of the ULBs.

4.4 Drawing phased Redevelopment Plan of Slum Settlements and Amending Regulations

Based on the slum household survey and the assessment of land and development units, an overall target built space for dwelling units can be worked out and land requirements may also be worked out under the existing provisions of development density and prescriptions of house and infrastructure space under the planning and development regulations. Slum redevelopment may be implemented in 3 to 5 phases covering a good number of ULBs in each phase so as to cover the whole state in a chosen time period i.e. 5-10 years. A notification may be made to identify and empanel the builders. The choice of allowing slum dwellers to vote for or against the scheme, as done in Maharashtra initially but scrapped later, may vest some authority in the urban poor. Most of the planning and building regulations prescribe high standards, as they are based on the assumption of houses built for self-occupation. Wherever possible, relaxation may be made to the slum redevelopment schemes by allowing greater development density,

Ramakrishna Nallathiga

23



Institute of Town Planners, India Journal 9 - 2, April - June 2012, 15 - 25

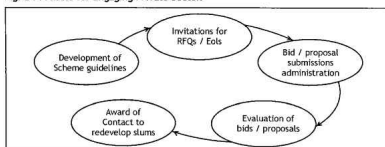
relaxing the plot size and infrastructure space requirement and internal space requirements of house and housing complex. Municipal act of state government and that of Hyderabad, Vijayawada and Visakhapatnam shall incorporate such amendments that make relaxations in all of the above for slum redevelopment schemes. Building bye-laws may also be relaxed so that the recognition of housing becomes formal and subject to external infrastructure e.g. water supply, sanitation, drainage and solid waste management are provided by the ULBs.

4.5 Developing Process for Undertaking Slum Redevelopment in Cities and Towns

Once a phased development plan of slum redevelopment is drawn up, the process for achieving the same may be started. The extent to which the existing schemes i.e. various partnership schemes mentioned earlier, may cover needs to be ascertained and the remaining slum settlements may be targeted. Further, slum redevelopment authority may focus on in situ redevelopment alone, leaving the ex situ housing redevelopment to the INDIRANNA housing to take care of the same in a phased manner. Also, the legal status of land needs to be carefully ascertained i.e. land free from any encumbrances would alone attract private parties who would not risk litigation. Public land may be easily transferred but the rights and entitlements including reversion of them after a stipulated time need to be carefully incorporated in the agreements. Private land may be procured through negotiated purchase between government and private owner.

The process as outlined in Fig. 2 for inviting private sector participation would involve selection of private sector partners (local) through a competitive bidding process and working together with the selected private partner, which will be authorized to construct houses for slum households partly to the extent of their entitlement and to construct houses to be sold in open market. Slum redevelopment authority has to fix the extent of development allowed on each site subject to the maximum limits on overall and individual site development and the extent of land that would be available for construction. The specifications

Fig. 2 : Process for Engaging Private Sector.



Ramakrishna Nallathiga

24

Written by Administrator

Wednesday, 18 July 2012 00:00 - Last Updated Monday, 03 June 2013 08:03

Institute of Town Planners, India Journal 9 - 2, April - June 2012, 15 - 25



of internal infrastructure may also be laid down and the ULBs may be made responsible for external infrastructure provision.

4.6 Rolling Down the Process of Slum Redevelopment in Cities and Towns

The process for slum redevelopment identified above may be adopted on a scheme by scheme basis with respect to each of the slum settlement area or a cluster of such areas. This process needs to be undertaken together with ULBs so that it would have an interest in the scheme when it takes over after implementation. Phased rolling down of the process may also give adequate understanding of the underlying elements to the authority and evaluate the proposals and bids in a better manner while improving the scheme. The issues of transit settlement camps with internal infrastructure and the ULBs pledging to provide external infrastructure need to be well organized for the overall success.

4.7 Recognition of Slum Redevelopment Schemes by Urban Local Governments

Once the slums are redeveloped by private developers as per the terms laid down, the redeveloped settlements owned by slum households are transferred to the authority while the remaining would be sold in private market by the developer. This can be arrived at through an agreement and the open market sale houses follow the normal course of registration. The slum household units shall, however, may lie in the hands of the authority, which may decide to grant license to use the dwelling unit to the eligible slum dweller household. These slum redevelopment units need to be grouped under the cooperative society under the Andhra Pradesh Societies Registration Act, 1999 and a registration number may be given to allow formal recognition of the scheme. Following the same, they become entitled for the provision of municipal infrastructure.

4.8 Forming Institutions for Taking Care of the Maintenance

Slum redevelopment authority needs to find a workable solution to the maintenance of the housing units and provision of common facilities e.g. security, cleaning, etc. A collective such as Residential Welfare Association or the Society of Inhabitants may be formed to take care of this function. The slum redevelopment authority may only coordinate their functioning especially by prescribing charges that may be levied or the method of their calculation for levy and it may also settle any disputes that arise in the process. Transfer of units for use by any other beneficiary in the event of the household migrating or ceasing to live in the premises may also be undertaken by such body with active supervision, permission and coordination of the authority.

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Ramakrishna Nallathiga

25