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## HOUSING & URBAN DEVELOPMENT DEPARTMENT

### NOTIFICATION

The 21st February, 2011

No. 5058-HS(Slum Policy)-60/11/HUD— The Governor have been pleased to approve the Slum Rehabilitation and Development Policy (SRDP) for the State of Orissa to provide basic services to the Urban poor. The main objective of the Policy is to prevent growth of slums in the cities of Orissa by increasing the stock of affordable housing through incentives and mandatory provisions in the laws.

## HOUSING FOR ALL

### SLUM REHABILITATION & DEVELOPMENT POLICY (SRDP) FOR ORISSA

#### 1. CONTEXT OF THE POLICY

Good amenities are a basic if not a fundamental right of all citizens. This is not a rhetorical issue but impacts both productivity and Orissa's brand, as the state aspires to be a leader amongst states. The vision of providing basic facilities for all is driven by Orissa's remarkable progress in several areas and an attitudinal transformation to what is possible buoyed by recent successes.

In spite of the remarkable economic development achieved recently, over 1/5th of Orissa's urban population still lives in slums. In some industrialized areas like Rourkela, slum populations are over 1/3rd of the total urban population. Needless to say, the quality of life in slums is abysmal, and over 90% of slum dwellers are without access to housing and adequate basic services like water supply and sanitation.

## 2. DEFINITIONS

In this policy, unless the context otherwise requires:

- (i) "Government" means Government of Orissa for the State Government and Government of India for the Central Government.
- (ii) "Slum" means a compact settlement of at least 20 households with a collection of poorly built tenements, mostly of temporary nature, crowded together usually with inadequate sanitary and drinking water facilities in unhygienic conditions.
- (iii) Tenable settlements are such as are decided by the Government. These include sites where existence of human habitation does not entail undue risk to the safety or health or life of the residents or habitation on such sites is not considered contrary to public interest or the land is not required for any public or development purpose.
- (iv) Untenable settlements are such as are decided by the Government. These include sites where existence of human habitation entails undue risk to the safety or health or life of the residents or habitation on such sites is considered contrary to public interest or the land is required for any public or development purpose.
- (v) Words and expressions used in this policy but not defined shall have the same meaning as assigned to them in the Orissa Municipal Act, 1950 and rules made thereunder, the Orissa Municipal Corporation Act, 2003 and rules made thereunder and Orissa Development Authority Act, 1982 and rules made thereunder, as amended from time to time.

## 3. URBANIZATION IN ORISSA

Orissa, although relatively less urbanized than the rest of India (an urban population of 14.97%, Census 2001), is experiencing high decadal growth rates (30.28%, 1991-2001), especially in the urban areas (28%); between one-third and one-fifth of whom are poor and live in slums.

There are 103 urban local bodies (ULBs) in Orissa, including Municipal Corporations (3), Municipalities (37) and Notified Area Councils (63), according to city size. All urban areas in the state are governed by the legal and institutional framework as per the provisions of the Orissa Municipal Act, 1950, the Orissa Municipal Rules, 1953, and the Orissa Municipal Corporation Act (OMCA), 2003.

Urban growth is generally accompanied by a growth in the number of poor and slum dwellers. While all slum dwellers may not be poor, almost all poor in cities live in slums and shanty areas.

#### 4. THE SLUM REHABILITATION AND DEVELOPMENT POLICY

As Orissa continues to urbanize, it needs a coherent slum development policy to create 'slum free cities' and bring about a significant improvement in the quality of lives of slum dwellers through a process of integration, participatory slum upgrading and housing development.

The Slum Rehabilitation and Development Policy (SRDP), is aimed at creating an enabling environment at the State and city level for citywide slum upgrading and poverty reduction. It will also provide the framework within which the Rajiv Awas Yojna (RAY) shall be implemented.

#### 5. VISION AND GOAL

**Vision:** The overarching vision of SRDP is to build a Slum Free Orissa by 2020 and bring about a significant reduction in State urban poverty conditions.

**Goal:** The SRDP goals are to:—

- (a) ensure that every slum and poor family in every city/town will have access to decent and affordable housing with network municipal infrastructure services, schooling, health care, food and social security;
- (b) provide all new migrating families who are poor, access to affordable rental or for sale housing with adequate network services; and
- (c) achieve holistic and sustainable development of all cities through inclusive and planned urban development, improved governance and service delivery, and implementation of urban reforms.

#### 6. POLICY TENETS

SRDP recognizes that cities and towns in the State have variable contexts with implications for slums and poverty. The set of policy principles is intended to be broad-based and designed to address these variable contexts and settings in order to achieve the above vision and goals. The Slum Rehabilitation and Development Policy (SRDP) will address the issue of slums through the following key principles: —

- (a) Follow a citywide and comprehensive approach to slum development;
- (b) Upgrade through in-situ development, all tenable settlements, as far as possible, through provision of tenure security, and minimize far-site relocation;
- (c) Provide tenure or legal right to land in an incremental manner in all tenable sites to ensure a stable living environment in the long-term and to facilitate self-investment in housing upgrading;

- (d) Mainstream all slums to city infrastructure with legal, affordable, equitable and improved municipal networks and social services;
- (e) Provide basic minimum services to all slums till fully upgraded;
- (f) Develop nearby affordable housing for slum dwellers, who currently reside on untenable sites and tenants in these settlements with joint house titles in the name of women and men with access to micro-finance;
- (g) Encourage beneficiary contributions and minimize subsidies to ensure financial viability of slum upgradation programmes;
- (h) Increase the supply of decent and affordable rental housing for new migrants throughout the city to prevent development of new slums;
- (i) Promote sustainable livelihoods linked to city economic development to improve household incomes and affordability;
- (j) Ensure inclusive and participatory planning and implementation processes for slum and housing development; and
- (k) Implement reforms for tenure security and legislation of property rights, internal earmarking of budgets for the poor, earmarking developed land in housing projects, rent control and planning bye-laws, and norms for basic services that enable citywide slum development with pro-poor governance.

## **7. INSTITUTIONAL ARRANGEMENTS**

The respective Urban Local Bodies (ULB), the Development Authorities (DAs), and the Orissa State Housing Board (OSHB) will implement the tenets of this Policy.

A State Level Steering Committee (SLSC) will be constituted under the Chairmanship of the Honorable Chief Minister for taking policy decisions and undertaking necessary legislative and administrative amendments/enactments to implement the policy.

An Orissa Slum Development Task Force (OSDTF) would be constituted at the State level under the chairmanship of the Chief Secretary with the objective of providing assistance in mobilization of resources from central /state agencies, multilateral and bilateral funding agencies, if required; promoting convergence through removal of inter-departmental/inter-agency bottlenecks; prioritize slums to be taken up for rehabilitation /development; decide tenable or untenable settlements, in-situ development or resettlement of a particular slum; approve project (s) and decide the agency namely ULB,DA or OSHB which may take up a particular project.

A Department Level Monitoring Committee would be constituted under the chairmanship of the Secretary to Government, Housing and Urban Development Department to review and monitor the progress of projects taken up under the policy.

A State Level Nodal agency (SLNA) would be constituted with the objectives of:— providing technical and manpower support and guidance to the implementing agencies in preparing Slum Free City Plans with implementation strategies and financial plans for slum development; disseminating information and sharing knowledge on good practices; monitoring implementation through a /Centre/State MIS system; setting objective indicators for slum prioritization and tenability; developing criteria for engagement of lead NGOs/Agencies, and technical consultants to take up various projects; designing a training strategy; and drafting necessary legislative and administrative amendments/enactments and policy decisions for slum free city development.

Slum Free City Planning Team (SPT) will be constituted in corporation areas and municipalities. Notified Area Councils may organize into regional clusters and form Cluster Level Task Forces. These may be headed by the Municipal Commissioner in case of a Corporation, Chief Executive Officers in case of Municipalities and Collectors/Revenue Divisional Commissioners in case of the Cluster Level Task Force. SPTs will be responsible for preparing city strategies for slum development in partnership with Slum Upgrading Units (SUU)/Project Implementation Units (PIU)/Cells (see below) with community participation. Providing assistance in implementation and mobilization of resources from state agencies, if required; drawing upon good practices in other cities; monitoring implementation through a city GIS-based MIS system; promoting convergence through removal of inter-departmental/inter-agency bottlenecks.

The State Level Nodal Agency and the ULBs will set up a Slum Upgrading Unit (SUU)/PIU/Cell, as the case may be, to ensure a more focused approach to citywide slum upgrading and development. The PIU may be in charge of implementing and/or co-ordinating among the appropriate actors responsible for slum upgrading in their respective City. The PIU could include specialists such as MIS specialist, GIS specialist, Urban planner, Social Development specialist, Project/Engineering specialist and capacity building/training co-ordinator.

A notification on the constitution and terms of reference of the various Task Forces and Units would be issued under this Policy by the Government of Orissa.

## **8. INTERVENTION STRATEGIES**

SRDP aims to bring slums within the formal system with an equitable level of basic services, redress the failures in the system that have led to the formation of slums, in particular address issues of affordable lands and housing for the poor. SRDP will promote this through in-situ development of slums in tenable areas through mainstreaming as far as possible. Relocation, where necessary, will be near-site as far as possible to enable poor households to continue with their livelihoods. In case of non-availability of land within

the specified range, far-site relocation could be undertaken and shall include affordable housing and adequate municipal network services.

SRDP will ensure security of tenure and other reforms, critical for reaching the aim of building slum-free cities. It will prepare legislation for assignment of property rights to slum dwellers. Slums shall be developed through a range of interventions through:— (i) in-situ upgradation aimed at provisioning of basic services and incrementally improving them to city standards with linkages to city systems; (ii) slum redevelopment by re-blocking, re-planning and re-building the sites with affordable housing, which would be carried out by the ULBs/DAs/OSHB themselves or under public private partnerships; and (iii) resettlement in new housing developed by ULBs/DAs/OSHB through public private partnership, wherever appropriate. ULBs/DAs/OSHB may use a mix of strategies based on types of slums in the city.

## **9. PREPARING A STATE SLUM FREE PLAN OF ACTION**

The SLNA and the ULBs shall carry out the following steps to formulate an Orissa Slum Free Plan of Action (PoA) and City slum free plan(s) for slum up gradation:—

- (i) Listing and prioritization of cities under various pro-poor schemes of Government, including RAY, BSUP, IHSDP, etc.;
- (ii) Preparation of State legislation for assignment of appropriate property rights to slum dwellers;
- (iii) Development of Orissa Plan of Action (PoA) with a perspective plan based on City/State growth rates and land and housing requirements, a land plan to promote housing for poor communities and a timeline of activities;
- (iv) Support setting up of Slum Free City Planning Teams (CPT) in each City;
- (v) Implementation of reforms for reservation of land in housing projects, amendments to town planning and rent control legislations, zoning, building bye-laws, FARs, etc.;
- (vi) Developing linkages with banks and other financial institutions for lending to low-income households;
- (vii) Developing linkages with social sector agencies for promoting health, education and social development; and
- (viii) Prepare a State Capacity Building Plan for Slum Free City development.

## 9.1. Identification and Notification of Slums

SLNA shall provide technical support to cities to take the following steps in building slum-free cities using a whole city approach.

**Develop Base Maps:** ULBs shall secure CARTOSAT/satellite images to prepare city base maps including the fringe areas.

**Listing Slums:** ULBs shall identify and list all slums in their city/town (currently authorized and unauthorized) and categorize them as per the slum typologies in the chart below. These lists will be developed with the help of satellite imagery and validated by site visits. The slum lists will be updated regularly till the backlog of slum upgrading, redevelopment and housing provision is over and there is housing available for all slum dwellers including new migrants.

**Mapping Slums and Developing Information on Service Levels:** ULBs shall prepare GIS maps for all slums with their boundaries. They shall also collect ground level spatial data through Total Station Surveys and collate information on network services for infrastructure such as roads, sewerage, storm water drainage, water supply, etc.. They shall also determine (i) the number of households and population in each slum, (ii) accessibility of slums to city infrastructure, (iii) present level of services in each slum, (iv) land ownership, and (v) the tenability status of each slum.

**Household Survey:** The ULBs shall carry out a citywide survey of all slum dwellers. This will include a biometric survey with support of external agencies. Biometric identification data shall be subject to the guidelines issued by the Unique Identification Authority of India (UIDAI). All slum dwellers will be issued identification/biometric cards to enable them to get access to basic services, housing, micro-finance, and other social/welfare services. The survey information shall be part of a slum development Management Information System (MIS).

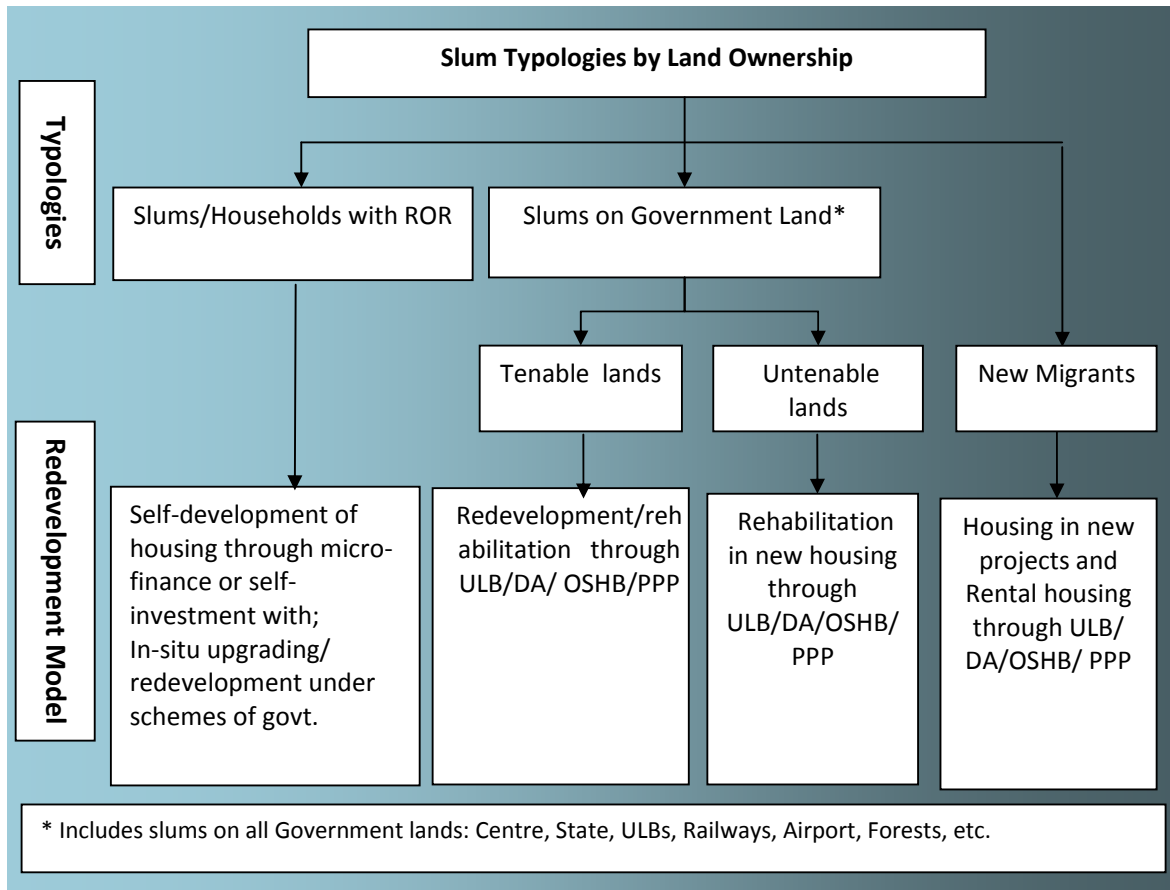
**Land Use Modification:** All identified slum lands intended to be upgraded/redeveloped may be designated as high-density, mixed-use lands. ULBs may work with DAs and obtain necessary approvals of the OSDTF/ULB Standing Committee for land-use modifications.

**Vacant Land Survey:** ULBs shall undertake a vacant land survey to identify lands for resettlement of untenable slums to the nearest possible location.

**Identify a Lead NGO/CBO/Agency:** ULBs will select, through a transparent process, a lead NGO/Agency to guide and anchor the community mobilization, survey and operationalization of slum upgrading actions at the slum level.

### 9.1.1 Slum Typologies

SRDP recognizes the following slum typologies in the State/cities.



### 9.1.2 City Strategy

Each ULB may prepare a detailed strategy for deciding which redevelopment model to use for different slums throughout the City. The strategy shall have an implementation plan for citywide and phased development of all listed slums and identify the broad financing needs. The strategy may be developed by CPT and SUU/PIU/Cell which will be submitted to the OSDTF for approval. CPT shall prepare the city strategy through participatory processes and based on the slum mapping and information above. The strategies adopted in each city may vary based on the typology of slums in that City. ULBs may use a mix of interventions for slum development based on the various types of slums in the City. The strategy for each type of slum may be different and defined on a case-to-case basis. Interventions in each slum may, however, be planned in a participatory and transparent manner. ULBs shall develop a phased implementation plan for slum development.



## 9.2 Intervention Strategies for Slums/Households with Ownership Rights or ROR

Some slum settlements and groups of households in slum settlements may have ownership rights, especially in smaller towns, or peri-urban areas, or in inner-city areas. Households in these settlements, with some support, are able to improve their own housing conditions mostly through personal investments. The settlements will, however, need in-situ upgrading and networking to citywide infrastructure developed/augmented by the ULB<sup>1</sup>. In addition to in-situ upgrading of services, this intervention strategy may include the following elements:—

- ▶ **Mainstreaming and Networking:** ULBs shall mainstream and integrate all slum settlements to main trunk infrastructure for sewerage, water supply, power, roads, transport services, schools, health facilities, etc. and shall augment infrastructure, where required in partnership with concerned agencies.
  - ▶ **In-house Municipal Services:** All households in such slum settlements shall be provided improved municipal services (water, toilets, wastewater disposal) through legal, in-house and paid connections, which shall be mainstreamed to trunk infrastructure, where close. Services in slum settlements away from trunk infrastructure shall be incrementally improved from current levels to achieve equitable standards (in-house services) as in the rest of the city with augmentation of city resources/expansion of infrastructure networks. ULBs shall provide households with technical support to connect to the system. ULBs shall also link slums to micro-finance for payment of connection costs.
  - ▶ **Housing Reconstruction:** Slum housing in these settlements shall be upgraded either through housing micro-finance or reconstructed with e-assistance from the ULB under various schemes of the Government. All upgraded /reconstructed houses shall have access to in-house water and sewerage connections through simplified procedures and reduced costs.
  - ▶ **Housing Co-operatives and Community Land Trusts:** Households in such slum settlements may in suitable cases be mobilized into co-operatives or community land trusts with support of lead NGOs/ULBs, who may help the slums develop their rules and regulations. Individual households shall be bound by the rules and regulations of the cooperative/trust and within the legal framework developed for land titles for the sale or transfer of land rights. Title to houses shall be granted in favor of the female member of the household or jointly with the male head of the household to uplift the status of women in the State. Individual land tenure shall be incrementally provided to these households, improving over time from restricted
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(occupancy and short-term lease) to full title with property rights as provided under the state property rights legislation.

- ▶ **Community Mobilization and Planning:** Community mobilization shall be anchored by ULBs directly or through a lead NGO/Agency/CBO. ULBs/NGOs may support formation of Resident Welfare Associations or Housing Co-operatives and assist in upgrading planning of the area in consultation with the community. In-situ upgrading may require re-blocking and re-aligning to ensure better mobility and movement of vehicles inside the settlements, provisioning of adequate infrastructure services, and development of common spaces. In case of re-aligning, any displaced houses shall be provided alternative housing near the site. These Associations shall also develop plans for the maintenance of common spaces. These Associations shall include all resident families, where each family is represented by a woman, and should be recognized by the ULB.

### 9.3 Intervention Strategies for Slums on Government Lands

Slums on government land are on:—

- ▶ Tenable lands;
- or
- ▶ Untenable lands.

ULBs shall develop slums on government lands through a range of slum redevelopment models like redevelopment with affordable housing in high or low density development, or resettlement. Redevelopment or resettlement could be done through a developer under **PPP mode** or through Development Authorities/ OSHB/ ULB, as appropriate.

#### 9.3.1 Intervention Strategy / Model for Slums on Tenable Land: Redevelopment with Affordable Housing through PPP or by ULB/DA/OSHB.

These slums may be redeveloped by the ULBs/DAs/OSHB by involving private developers in **PPP mode** or by ULBs/DAs/OSHB themselves, whichever is found appropriate. Grants /subsidies available under various schemes of Government may be utilized and dovetailed wherever possible.

- ▶ **Notification for Slum Redevelopment:** The respective ULB/DA/OSHB would issue a notification for the proposed housing and redevelopment plan for the particular slum(s) under this Policy. The notification would contain the map(s) of the area with upgrading and service delivery plans and number(s) of households to be redeveloped along with their biometric identification details. The notification would

specify the new land use as high or low density, residential, mixed or commercial use. If required, relevant provisions would be made in the relevant Acts.

- ▶ **Security of Tenure:** All tenable slums shall be redeveloped along with being granted tenure security under the Property Rights Act. Tenure security under the Act shall be temporary i.e. where households shall be given a license /permission to stay for longer or shorter durations as appropriate for that land. The tenure shall be incrementally made more permanent through conversion of licenses into lease rights (for longer or shorter durations) and eventually to full property titles or RoRs as prescribed in the Property Rights Act as per the merit of each case.
- ▶ **Transfer of Land:** The notification on slum upgrading or redevelopment as above would transfer lease rights from the GA/Revenue/Other Government departments and agencies to the respective ULB/DA/OSHB. The lease rights would explicitly state that the land would be eligible for sub-leases by the ULB/DA/OSHB to the co-operative or developer and subsequently, if appropriate, by the developer containing enabling provisions for **transferable sub-lease**. For this purpose, the lease formats may be suitably articulated by the GA/Revenue Departments. The area on which slum dwellers may be rehabilitated (**Rehabilitation Area**) may be leased out in favour of ULB/DA/OSHB by the Government **free of premium**. The ULB/DA/OSHB may pay premium for the area to be developed as commercial/residential complex (**Development Area**) to the Government **at the Government rate after appointment of the Developer**.
- ▶ **Community Mobilization, Planning and Agreement:** The slum dwellers in the notified slum may form a co-operative society or community land trust to manage common assets and facilities in the rehabilitation area and will be bound by the tenets of this Policy. The ULB/DA/OSHB shall issue a notification recognizing the co-operative or trust and its nominated representative(s), including the slum community and partner NGO. The ULB/DA/OSHB shall sign an Agreement with the co-operative/trust for the members to move to transit accommodations during the reconstruction period and to redeveloped houses on completion.
- ▶ **Appointment of Transaction Advisors (TA):** The ULB/DA/OSHB may appoint Transaction Advisor(s), if it is determined that the housing redevelopment may be carried out in a partnership with a private developer in a PPP mode, for the transaction of the PPP. The TA may work on a success fee mode. Thus, there may be limited financial liability on the ULB/DA/OSHB.
- ▶ **Delineation:** The ULB/DA/OSHB would delineate the land for the rehabilitation houses (**Rehabilitation Area**), commercial/residential complex (**Development Area**), and the transit accommodation.

- ▶ **Selection of Developer:** Where the ULB/DA/OSHB takes the decision to involve a private partner in the housing redevelopment scheme, a developer should be selected by a competitive and transparent process. The minimum qualification requirements, the bid process and selection are to be decided by the ULB/DA/OSHB. The developer may partner with local NGOs for such redevelopment. The developer would build the rehabilitation houses and the transit accommodation and would have rights of development over the Development Area. The developer would be granted lease rights on the Development Area, and the lease rights over the Rehabilitation Area would remain with the ULB/DA/OSHB.
- ▶ **Transit Accommodation:** Transit accommodation has to be built by the developer. Minimum standards would be specified for the transit accommodation by the ULB/DA/OSHB. The slum dwellers would move to transit accommodation to facilitate redevelopment as and when required. This transition shall be managed with the support of the lead NGO.
- ▶ **Rehabilitation Houses:** The ULB/DA/OSHB or developer, as appropriate, would construct rehabilitation houses in the rehabilitation area as specified by the ULB/DA/OSHB. As far as feasible and in accordance with the specifications of the particular ULB/DA/OSHB, rehabilitation houses in the rehabilitation area ordinarily will be in a G+3 configuration. All housing will have in-house water linked to Municipal supplies; private toilets linked to underground sewerage, where available, or septic tanks or sanitation units; power supply; and appropriate drainage for household wastewater. Adequate community facilities, such as access roads with street lighting and linked to main streets, covered drainage, solid waste disposal sites, courtyards and common play areas, preschools, health clinics, parking sites for carts/rickshaws, etc., as specified by the ULB/DA/OSHB in consultation with the slum dwellers or their co-operative/trust are to be provided. ULB/DA/OSHB may provide design and technical support for construction. The land use for the Rehabilitated Area would be mixed as specified in the notification. The developer may transfer the rehabilitated houses to the ULB/DA/OSHB, which in turn may allot the same to the slum dwellers as per the provisions of this policy.
- ▶ **Beneficiary Contribution:** Beneficiaries may contribute their share to the cost of the housing, as specified by the Government from time to time. However, the ULB/DA/OSHB may try and reduce the subsidy component in future development projects to discourage new slum formation. All out effort may be made to ensure that housing remains affordable. Beneficiaries may be provided access to housing micro-finance as per Government guidelines to facilitate loan repayments in easy installments.

- ▶ **Third Party Certification:** A Third Party would be appointed by a process, to be determined in the bid documents for selection of a developer, where appropriate. The Third Party would verify and certify adherence to specified standards and any other certification required by the ULB/DA/OSHB.
- ▶ **Allotment of Houses:** The allotment of rehabilitated houses to slum dwellers listed through the survey/biometric process would be done transparently. In particular where more than one slum is rehabilitated to the same site. The process of allotment may be participatory, preferably by draw of lots. Ground floor accommodation may be provided to all families with elderly and members with disabilities, as far as possible.
- ▶ **Transfer of Rights to Slum Dwellers of Rehabilitation Houses:** The ULB/DA/OSHB would transfer tenancy rights of housing units along with inheritance but non-transferable rights to individual slum dweller households. The property title will be in the joint name of the woman and man in the household. Unauthorised transfer of rehabilitation houses by the allottees during the specified periods may lead to cancellation of the allotment and eviction of the transferee. All slum dwellers allotted land /house once will be debarred from any future allotment. To ensure this the ULB shall create an MIS system with the biometric database of beneficiaries.
- ▶ **Maintenance of Common Spaces:** Community / institutional arrangements would be made with support of NGOs for maintenance of the apartments and common spaces through either the cooperative or ULB, as the case may be.
- ▶ **Right of Developer to Construct and Lease in ‘Development Area’:** The ULB/DA/OSHB or the developer, as appropriate, would have rights to construct and lease/sub-lease or sell property in the ‘Development Area’ or the additional FSI or TDR as per the land acts. The construction would be in accordance with the existing building bye-laws. The land use would be residential or commercial, as specified in the notification.
- ▶ **Sub-lease of Buildings in Development Area:** Sub-lease or sale of the buildings in the Development Area would be permitted only after at least 75% of the rehabilitation houses are built in that particular phase.

### 9.3.2 Slums on Untenable Government Lands Intervention Strategy / Model: Resettlement-Rehabilitation of Settlements

Slums on untenable sites will be relocated under planned resettlement-rehabilitation with affordable housing and adequate infrastructure in the new sites. Resettlement-rehabilitation projects may be taken up by the ULBs/DAs/OSHB with private developers under PPP mode or by themselves following the detail procedure described in section 9.3.1. Resettlement will be in near-site projects, as far as possible, identified through the

vacant land survey. Far-site resettlements may be undertaken only where developable land is not available within the specified range. And if this is the case, mass transit should be accessible at the new site. **The vacated site may be secured by utilizing it for its intended public/development purpose.**

#### 9.4 Preventing Future Slums: Affordable Housing for New Migrants

SRDP recognizes that migration to urban areas may continue and the need for housing among the poor may grow. In order to mitigate further slum formation, ULBs/DAs/OSHB will have to continuously develop serviced plots, affordable housing in new projects for rental and/or for-sale purposes. They shall take the following steps in developing affordable housing for the poor on a continuous basis:—

- (i) Increase supply of land through the implementation of various reforms such as earmarking land in development projects, change in rent control provisions, etc.
- (ii) Implement changes in the legal and planning frameworks to create affordable land/housing stock such as through zoning, FSI and TDR incentives, free sale component, change in building bye-laws, norms for housing etc.
- (iii) Use PPP arrangements, as appropriate, for the development of new housing stock, serviced plots or rental housing.

In order to accomplish this objective, ULBs/DAs will, through regulatory reform of the planning and building bye laws of the city incentivize and encourage private development targeting low-income groups.

##### 9.4.1 Intervention Strategy Model: Affordable Housing in New Projects

The development of affordable housing in new projects will entail the following elements:—

- ▶ **Earmarking Land/Houses in New Projects:** For all new housing projects developed by public or private agencies, it would be mandatory to construct houses for LIG/EWS groups. Suitable amendment may be made to State/Local enactments for this purpose. The percentage of housing units to be earmarked for LIG/EWS in apartments or group housing projects in large and small cities will be between 20-25% as prescribed under RAY.
- ▶ **Plotted Development:** Similarly, in plotted developments/sub division layout plans, an appropriate percentage of developed plots shall be earmarked for EWS/LIG groups. **Location of Units for the Poor:** The LIG/EWS units developed under new housing projects may be situated close to areas where poor can find employment easily.

- ▶ **Shelter Fund:** For projects taken over an area up to a certain threshold, to be decided by the Government, the developer would have the option of contributing an amount as fixed by the Government to a “Shelter Fund”, to be maintained by the ULB/DA in lieu of constructing the EWS/LIG houses. However, in Integrated Townships the appropriate percentage of housing units for LIG/EWS must be built and these units would be situated inside the integrated township. ULBs/DAs may use the proceeds of the Shelter Fund for slum development including construction of EWS/LIG houses. The administration, funds inflows, and purpose of use of funds for the Shelter Fund would be notified under this Policy.
- ▶ **Pricing of Houses/Plots:** The pricing of for-sale housing may be decided by the ULB/DA. Selection of beneficiaries for the EWS/LIG units shall be made by the ULB/DA in a transparent manner and based on a registration and allotment system designed by the ULB/DA on the basis of the slum survey.
- ▶ **Incentives to Private Developers:** Incentives to private developers, where appropriate, may be in the form of additional FAR or TDRs. Additional FAR as appropriate for the ULB/DA may be allowed for dwelling units meant exclusively for LIG/EWS in apartments and group housing projects. TDRs may be provided to private developers in the same master plan area.
- ▶ **Rental Housing:** Rental housing shall also be developed in partnership with the private sector. Private development shall follow the procedure in 8.3.1.1. In the case of rental housing, ULBs may determine rents to be paid by the households. Families may also contribute to a maintenance fund. Both amounts shall be based on an assessment of affordability by the ULB. Developers, where applicable, may be permitted to collect rentals to recover the cost of construction in BOT arrangements, as appropriate. Maintenance charges may be collected by the co-operative/Resident Welfare Association/land trust, as the case may be.
- ▶ **Advocacy for Rental/New Housing Schemes:** ULBs shall advocate these schemes to poor communities through publicity, road shows, etc. They may also set up information kiosks at railway and bus stations in partnership with the developer, where appropriate.
- ▶ **Access to Housing Micro-finance:** ULBs shall facilitate access to housing finance to enable poor people to pay for the house.
- ▶ **Regular Surveys:** ULBs shall undertake regular surveys to identify new slum settlements. New migrants may be helped to access rental or for-sale housing at full costs supported by micro-finance. This may discourage new slum development.

## 10. IMPROVING ACCESS TO MICRO-FINANCE

ULBs will facilitate micro-financing arrangements at affordable rates through Government schemes.

## 11. IMPLEMENTING THE 7-POINT CHARTER FOR ACCESS TO SOCIAL SERVICES THROUGH CONVERGENCE

SRDP is aimed at comprehensive urban development. Towards this goal, all ULBs shall implement the Basic Services to Urban Poor (BSUP) 7-Point Charter. The 7-Point Charter is aimed at providing the following 7 services to all slum dwellers:– housing, water supply, toilets and drainage, livelihoods, roads and transport, education, health and welfare services.

ULBs shall improve access by all slum dwellers to these services in partnership with the relevant departments/agencies and through a process of convergence. The OSDTF may be responsible for integrating the inputs of the various departments.

ULBs will use slum dweller lists/biometric identification to provision all welfare services (food subsidies, pensions, relief funds, school fee subsidies, maternity entitlements, and girl child benefits) to the poorest and slum dwellers.

## 12. LIVELIHOODS DEVELOPMENT FOR SLUM HOUSEHOLDS

Promoting sustainable livelihoods, in particular for relocated households, is also critical for poverty reduction as improved incomes enable poor households to access basic quality, basic and social services, and upgrade /pay for new housing. SRDP recognizes that sustainable livelihoods is about improving skills for income generation, linking people to employment opportunities, promoting micro-enterprises through access to credit, markets, design inputs, banking services, access to economic infrastructure such as roads and transport etc.

- ▶ **Synergy with SJSRY:** ULBs will implement the livelihoods development programme in all slum settlements through the Swaran Jayanti Shahri Rozgar Yojna (SJSRY) and may broaden it to include the above elements related to upgrading and redevelopment. The livelihood programme will enable families to pay their contributions towards housing/services, monthly user charges, EMIs, and property tax, once tenure and ownership titles are granted. All families under the slum upgrading or housing projects, in particular the poorest, may be included for livelihood development as described above.
- ▶ **Capacity Creation:** ULBs shall undertake a market study to explore new and emerging opportunities for micro-enterprise products and employment, in particular



in the construction industry. At least one member of each poor family may be offered the opportunity to be re-trained and to develop skills for employment in the new and emerging markets and/or construction industry. Training for livelihoods shall be implemented with support of SJSRY or local NGOs engaged in livelihood development. For development of micro-enterprises, ULBs shall support market linkages, orders and their execution, access to micro-finances, etc. Women entrepreneurs may be organised into SHGs or Thrift and Credit Societies (TCS) to help save/borrow small sums at low interest rates for the micro-enterprise.

- ▶ **Designing Home and Community Spaces for Livelihoods:** Slum upgrading and house designs may focus on promoting economic activity at home and in the neighbourhoods. House and community designs should be developed in consultation with residents. At the community level, spaces may be developed to enable parking of carts/rickshaws, storage of material, micro-enterprise activity, vending, etc. Such spaces may also be developed within and in the neighbourhoods of upgraded slums, resettlement sites, commercial markets, industrial areas, etc.
- ▶ **Access to Municipal Services:** Access to household level services will help broaden the range of potential livelihood activities and improve household productivity.
- ▶ **Modification of Building Byelaws for Livelihood Promotion:** Building Byelaws applicable in upgraded or tenured settlements, housing projects, resettlement **sites, etc. shall be on the mixed land use pattern** as described above, to also enable poor households to pursue livelihoods without fear and /or be liable to pay commercial charges for water and power. To protect commercialization and gentrification of these communities, ULBs may determine through a consultative process a permissible range of livelihoods, current and emerging markets. This list may be revised every two years to ensure that poor continue to benefit from the city's economic growth.
- ▶ **Private Sector Involvement:** ULBs shall take appropriate steps to address constraints in the labour market and legal rights to livelihoods and set up complaint redressal systems. They may involve the private sector in such initiatives, wherever possible.

### 13. COMMUNITY PARTICIPATION AND ORGANIZATION

Community participation is critical for successful slum upgrading and development. ULBs may ensure appropriate community processes and organization of community structures for planning and implementation of housing and upgrading projects. They may

identify a lead NGO/CBO to organize and empower communities in each city, in particular to work with women. ULBs shall set up a system for regular interactions with slum communities and their representatives and for responding to their grievances, on the Delhi Bhagidari model.

The ULBs will facilitate Area and Ward Committees with representation of slum communities, in accordance with the Community Participation Law for participatory area and ward level planning and monitoring.

#### **14. DE-NOTIFICATION OF REHABILITATED AND UPGRADED SETTLEMENTS**

ULBs shall take appropriate steps to de-notify slum settlements after they have been fully upgraded with services and housing and integrated within the city. These settlements may be integrated with the ULB's property tax system after 5 years of being de-notified, and may be charged at lower rates/EMIs to ensure affordability to pay tax.

#### **15. ENABLING POLICY AND REFORM FRAMEWORK**

Under the SRDP, a large number of reforms and policy decisions will be notified from time to time as per requirement of RAY and on the basis of local needs with a view to build slum free cities.

SRDP will implement the legislation for property rights, the three BSUP norms at the city level:– Basic Services for the Urban Poor (BSUP); Internal Earmarking of Budgets for the Poor (IEBP); and Earmarking Developed Land for the Poor (EDLP) in housing projects, the State Sanitation Policy, the Community Participation Law, as described above. ULBs shall earmark 25% of their municipal budgets for slum development as per BSUP guidelines and keep these in a separate account to ensure unspent funds roll over to the next year. DA/ULBs shall also earmark at least 10% of land in new development projects for housing for the poor.

SRDP will also facilitate the implementation of some urban development reforms:– Land Planning, Zoning, FSI and TDR, User Charges with appropriate reductions for slum dwellers; Building Bye-laws to support mixed land use in upgraded or built housing sites; rent control act to free land markets; and Community Participation Law (CPL) and the Public Disclosure Law (PDL).

#### **16. MONITORING AND IMPACT ASSESSMENT**

SLNA will be responsible for monitoring the outputs of upgrading and measuring its impact on slum development and poverty reduction. It will set up a GIS based Management Information System (MIS) that shall cover all cities and towns under it. SLNA shall also undertake periodic impact assessment studies on key impact areas.

Cities shall also undertake social audits as described in the National Tool Kits and participatory and process monitoring. In the case of larger ULBs, support may be provided to set up Community Based and Participatory Monitoring Systems (CBPMS), which may be linked to a GIS map-based platform. The MIS shall integrate the various data bases developed for citywide slum upgrading; through surveys, including biannual repeat surveys, biometric identification process, slum and infrastructure mapping etc. .

## **17. PARTNERSHIPS AND LOCAL CAPACITY BUILDING**

SRDP recognizes that implementing citywide slum upgrading and housing development under the 7-Point Charter in all cities and towns is a huge and challenging task that may require substantial planning, initiative and innovation. To achieve its vision and goal, concerted efforts of several partners may be needed. OSDTF shall facilitate partnerships with government agencies, development agencies, the private sector and civil society groups at the State level. SPTs shall facilitate partnerships at the city level.

SLNA shall provide technical assistance to small and weak municipalities for planning and implementation of the slum free city plans through the establishment of experience sharing platforms/networks and linkages with existing networks such as PEARL.

SLNA shall also develop a comprehensive programme for capacity building of local body staff with specific time lines and shall identify appropriate agencies in the State/Cities for training purposes.

## **18. FINANCING SLUM DEVELOPMENT PROGRAM: MOBILIZATION OF RESOURCES**

Creating a slum free Orissa will require considerable and long-term investment in upgrading and housing. Positive and pro-active interventions for enlarging the resource base may include a series of initiatives at State/Local levels:—

- (i) **State Financing:** A Slum Development Fund (SDF) may be created at the State level to support slum development activities taken up by ULBs. The SDF may include;
  - Contribution from Central funds as earmarked by Planning Commission and Central Finance Commission.
  - Contribution from State own revenue resources.
- (ii) **Municipal Convergence Funding:** As per BSUP, at least 25% of municipal funds are required to be earmarked for slum development. Besides these resources, a variety of other sources of funds may be converged to finance slum developments, as indicated in each ULB's Integrated Municipal Development Plan and Annual Action Plan.

These sources may include:—

- Proceeds from PPP projects
- Transfers from the State Slum Development Fund
- Private contributions (with tax concessions) from business, industry and trade
- Contribution from other domestic donors
- Contributions from the Shelter Fund to finance shelter needs in slums
- Matching contributions from community resource through CDSs
- Revenues from a Vacant Land Tax
- Special Cess on plan approvals and new layouts (for slum development)
- Revenues from any other taxes/cess or service charges
- ULB priority sector allocations under the category of S.C./S.T./B.C.
- Contributions from the general municipal fund as decided by the ULB
- Percentage of the compounding fee collected by the ULB/DA

(iii) **Private Sector Funding:** Additional resources for slum improvement may be leveraged by involving the private sector, where appropriate, in housing projects, which may utilize revenues generated from commercial development in respect of resettlement and rehabilitation schemes that may result in bringing about a substantial improvement in the physical, economic and social quality of life of slum dwellers.

Other private sector development schemes can also be considered by ULBs. They must, however, strictly comply with SRDP guidelines. Only those schemes which may cover the full cost of R & R and associated services (transportation, communication, etc.) may be considered by the ULB. The ULB must satisfy itself that any land development and R & R scheme may produce a clear win/win situation for all parties, but most particularly for the slum community.

(iv) **Corporate Social Responsibility:** The contribution of slum dwellers in helping to support local business, industry and trade is substantial. ULBs should undertake initiatives to mobilise resources from the private sector either for the adoption of specific development works at slum level in accordance with the priorities identified in the Municipal Slum Development Plan (MSDP) and Annual Action Plans or through direct contributions to the ULB Convergence Fund. State government and ULBs may consider introducing fiscal incentives, such as tax exemptions, etc., as incentives to mobilizing contributions.

(v) **Institutional Finance:** ULBs may also consider other means of attracting capital for investment in city and slum infrastructure, such as raising bonds and institutional loan finance. A refinancing scheme may be extended (in line with NHB refinancing) to facilitate City Governments to raise funds from identified commercial Banks.

- (vi) **Extending Tax Base:** Slum areas, particularly those that have been provided with services, should be de-notified and brought under the net of municipal taxes. A Consolidated Service Tax (as part of the Property Tax family) on properties located in slums (tenable and untenable) may be levied to raise resources from users.
- (vii) **User Charges:** At the administrative and political level, any unmayingness to charge for services delivered should be discouraged. The standard and effectiveness of service delivery can only be improved if sufficient funds are recovered from their operation. ULBs may consider a cross-subsidy from user charges, where appropriate.
- (viii) **Community Cost Sharing:** Slum improvement projects should encourage contributions from slum households and the community right from the beginning as a means of sharing costs and extending works. This approach would commence from the stage of prioritising/inclusion of slums for service delivery to later stages of assessment of needs and demand followed by planning and implementation. The cost sharing approach enhances commitment and self-reliance. OSDTF may notify a policy in this regard, which may gradually reduce the subsidy component in housing and service delivery.
- (ix) **Selling of Land Title:** ULBs may consider selling land titles on an installment basis as a means of raising capital for upgrading and improvement, as also to meet the expenses for operations and maintenance. Regularisation and granting of tenure should be linked with:— (a) loans to beneficiaries for meeting the costs (partially) on infrastructure provision; and (b) mobilisation of community resources. In this regard community/collective collateral may be used as security to finance subsequent provision of infrastructure.

By order of the Governor

S. GARG

Commissioner-*cum*-Secretary to Government