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Chief Executive Officer

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November 14, 2013

To,
Shri Arun Mishra (I.A.S.)
Secretary
Ministry of Housing and Urban Poverty Alleviation
Government of India
New Delhi - 110011

Dear *Shri Mishraji*

We appreciate the care and concern taken by your goodself and the department under you to make such an exhaustive affordable housing plan for the urban areas which would definitely be a very positive step forward and bring in a lively and enjoyable, safe and sound housing in place of the crowded, unplanned and haphazard habitations in our over burdened urban areas. Our hearty congrats for the same!

We are submitting our suggestions and remarks on behalf of Maharashtra Chamber of Housing Industry (MCHI) on the Model State Affordable Housing Policy for Urban Areas for your necessary consideration and inclusion in the provisions of the policy.

(1) NEED FOR THE POLICY

(d) We agree that the projects approved by the State Affordable Housing Policy should be considered for approvals like environment permission and building permission should be taken up on priority to expedite the approval and sanction of any project under the policy.

Please add after (e)

a) The developer shall be offered 'Additional Permissible FSI' if he designs the product of the affordable size as mentioned above.

b) As regarding the Government and the Semi-Government, Corporation land, should be auctioned for the affordable category in 'Reverse Auction' method. Means, the auction should be made assuming the selling price of the final product and by keeping in mind the allowable FSI on the particular plot; Number of Stories of the building and giving the fix price of the major materials like Steel, Cement and labour Index as per the PWD. This should be allowed to revise by every 2 years. I understand, this process of Reverse-Auction ultimately benefit to the Public at large.

While auctioning the plot Government should consider the price in a very reasonable way, not with a profit making motive. As a result, this will form of benchmark of the Price at that particular location, eventually the price will automatically come down by considering the demand and supply.

As mentioned above the Government should consider the incentive FSI in line with the SRA Policy-Mumbai, Maharashtra Rental Policy and the MHADA Redevelopment Policy.

(8) We also agree that the zoning of the Master Plans must consider classifying the designated zones for exclusive development of affordable housing projects it would be positively required to help in and supplement the same by creating the much needed by public, the basic and social infrastructure requirements for these specially specified zones in order to make such housing habitable. It is so because creation of housing in isolation would look like deserted developments and would attract nobody because of its lack of essential infrastructure services.

- (a) Deficiency of 18.78 million housing units has been worked out by Technical Group (TG-12) on Urban Housing Shortages (2012-17), constituted by Ministry of Housing and Urban Poverty Alleviation, Govt. of India, which takes in to consideration the data collected by last census while estimates of Mckinsey or any other consultant is pure estimation.
- (b) EWS and LIG categories defined by TG are based on house hold income upto Rs. 5,000/- for EWS and between Rs. 5,001 and Rs. 10,000 for LIG, per month. Ministry of HUPA, GoI, Guideline has further enhanced it to Rs. 1,00,000/- and Rs. 2,00,000/- per house hold per annum.
- (c) Ministry of HUPA, GoI guidelines have restricted affordable housing to upto 60 sqm carpet area; EWS 21-27 sqm, LIG-A 28-40 sqm and LIG-B 41-60 sqm. MIG have deliberately not been considered. At some print of time, even Ministry of HUPA, GoI had included MIG upto 80 sqm carpet area in affordable housing segment but it was deleted after long discussions with all stakeholders. If we increase area beyond 60 sqm, it would not qualify for various concessions available under IT and ST Acts and affordable housing in partnership scheme of the Central Govt. If states can get it included, it would be welcomed.
- (d) Single window for project clearances, low cost land, low cost fund, FID, ECB, credit risk guarantee, waiver of stamp duty, Vat, EDC, IDC are required to promote affordable housing; especially for EWS and LIG and many of them fall under the purview of State Governments.
- (e) Incentive to developers is required interims of income tax rebate under IT Act and aids under affordable housing in partnership scheme of Central Govt.
- (f) In my opinion we should not insist to increase area beyond 60 sqm as it would deprive of incentives available under central Govt. IT and ST Acts and affordable housing scheme.
- (g) Changes in 15% of land or 35% of unit for EWS in 60% development for not more than 60 sqm units specified to qualify for affordable housing would again jeopardise the concessions available under Central Acts/schemes.

- (h) Import and use of new technology is welcomed. It is necessary to reduce cost and time, if not immediately but in the long run.

Apart from the above comments and remarks on behalf of MCHI, Mumbai, Maharashtra, we would also like to submit for your due consideration, the points and issues which are required for any integrated solution to achieve quality affordable housing in place like Mumbai Metropolitan Region (Maharashtra). Once included in the said housing policy, it will cover most of the aspects which can be applied in any bigger urban areas or conglomeration.

Suggestive Request - Keep goal in mind by 2020 and work backwards - A positive strategy

1. Administrative reforms to curb corruption and speedy time bound approvals by all ULBs to bring down cost of flats by 30-40%.
2. Data Collection & Forecasting of Demand and Supply, "Social +Economic+ Infrastructure + Regulatory Census" within next 12 months.
3. Dovetail all the demand supply data into a Development Plan+ DCR+ Business Plan
4. Business plan for providing physical and social infrastructure needs like roads, railway, water, electricity, parks, schools, colleges, hospitals, community centers etc.
5. Permission for High Rise Buildings (only for above 200 meters height) and Environmental clearances within 30 days of application.
6. Affordable Housing supply to be increased many fold by green field initiatives, brown field initiatives, by making rent control Act investment friendly, constructing rental housing, development friendly CRZ regulation and overall land reforms.
7. Station area development plan with special policy by MCGM and MMRDA for redevelopment of land within 200 meters of stations with Higher FSI and mixed use and traffic improvement scheme.
8. Banking reforms for loan at affordable rate and guarantee by government, creation of affordable housing fund and mechanism for loan for self employed unorganized sector.
9. Law on acquisition of land to be amended for all reservations and for rehabilitating project affected people. 50 lac houses and 50000 commercial units to be made for PAP.
10. Land tribunals, fast track courts for timely resolution of disputes.

Steps as suggested in the following points could be useful for a time bound but speedy approval by all Urban Local Bodies to create a good and worth and deserving affordable Housing for the Target Group.

1. Administrative reforms to curb corruption and speedy time bound approvals by all ULBs to bring down cost of flats by 30-40%

	<u>Action Steps</u>
i.	Remove mystery from approval process, standardized format, if one person get clearances with regard to some points, that should become a standard and others should get clearances and approvals on same ground.
ii.	Strict action against encroachers and trespassers
iii.	Fast track, time bound approvals for all within 60 days
iv.	NA approvals automatically
v.	Online application for approvals and sanctions

**2. Data Collection & Forecasting of Demand and Supply
"Social +Economic+ Infrastructure + Regulatory Census"**

	<u>Action Steps-to be completed within next 6 months by end 2012</u>
vi.	GIS mapping of whole MMR and mapping number of people in slums and number of households, their age, social and economic conditions, quality of houses, accessibility, basic amenities etc.
vii.	In each ULB and main towns, lands already developed, number of buildings, its age, authorized/unauthorized
viii.	Area of vacant lands, encroached lands, location and categories of land, its ownership, size, tenure etc.
ix.	QAH requirements under specific income group
x.	Current supply of AH
xi.	At macro level infrastructure road, water, open space, other transportation requirement and cost of developing all theses.
xii.	FSI required meeting the demand, time period, incentives, likely price of the units
xiii.	Quantum of supply of raw materials required especially sand, metal, technology and finance
xiv.	Social infrastructure like school, colleges, hospitals, community centers, parks etc.

xv.	Requirement of office, commercial and entertainment space
xvi.	Estimation of contribution of QAH construction to GDP of MMR, employment generation

3. Dovetail all the above into a Development Plan+ DCR+ Business Plan

	Action Steps
i.	In which locality how much land is developable? With a friendly DCR, backed by clear infrastructure, plan, road, garden, specific to local authorities with appropriate fund allocation to local bodies.

4. Business plan for Infrastructure needs

	Action Steps
i.	Business plan based on the data of current population, current need of infrastructure, future population, future need of infrastructure in each micro area, so that government can go ahead without fear that its ready with required infrastructure for the projected population and projected housing supply. According to population projection and projected housing needs, we need to plan time bound infrastructure delivery.
ii.	Infrastructure funding process
iii.	Increase carrying capacity of existing physical infrastructure- road, rail, water, waste disposal, sewerage, rain water harvesting, disaster management planning like firefighting, flooding, etc. Faster local trains, adequate carrying capacity of local trains, extension of platforms, metro in whole MMR, high capacity low floor buses, mini feeder buses.
iv.	Social infrastructure like school, colleges, health services, community centers in each micro area.
v.	Hinterland connectivity, arterial transport, coastal roads, monorail, sea link, elevated rail corridor on fast track.

5. Permission for High Rise Buildings and Environmental clearances

	Action Steps
i.	High rise clearances only for above 200 metres buildings
i.	Very clear terms of reference within 30 days of application, sanction or rejection with reasons for high rise buildings.
ii.	Environmental clearances within 30 days

iii.	Guidelines and website based application process for environmental clearances
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6. Affordable Housing Supply

- a. **Green field Initiative-** To increase supply of land and un locking the lands that are not developed

	Action Steps
I	On government and govt. body's land, 50% affordable housing mandatory with FSI of 10.00. All government semi government bodies land like CGM, police, ULBs, Salt pan land, NDZ land, port land, to be utilized for Affordable Housing
iii.	QAH through service apartments, rental housing, hire-purchase scheme, outright purchase schemes.
iv.	FSI from 5.00 to 10.00 for Affordable Housing on private land as well
v.	Land agglomeration-government should acquire land from owners for affordable housing and develop QAH based on PPP model involving owners of land, developers and governmentas partners.
vi.	Responsibility of government is enabling regulations market forces will take care of everything else.
vii.	Incentivized grant of TDR based on ready reckoner rate so that all reserved land get handed over

- b. **Brown Field-** Initiatives-Slum development, dilapidated buildings redevelopment. Redevelopment of buildings in Suburbs and in all areas of MMR.

	Action Steps
i.	All slums as on 31 st December 2011 to be compulsorily developed in 5 years' time either in situ or with rehabilitation depending upon the age of the slum they should be redeveloped with paying 20% to 100% of the cost.
ii.	Ownership right & carpet area 269 sqft. with right to sell to all slum owners
iii.	Slum needs to be tackled holistically, redevelopment of all slums need to be planned with a cluster development approach, this shall ensures that all open space reservations roads etc are kept intact and developed.
iv.	Allotment permissions of all redevelopment of government, semi

	government and autonomous bodies like MHADA slums need to be done in a transparent manner with an open tender basis.
v.	Cluster development of dilapidated buildings
vi.	cluster development in suburbs and in all ULB's
vii.	Cluster development in suburbs for more than 2000 sqm plot.
viii.	Multiple options to be offered on case to case basis.

c. Rent Control Act

	Action Steps
i.	Make it investment and development friendly

d. Rental Housing

	Action Steps
i.	To have surplus in rental housing
ii.	Rental housing to be available on demand
iii.	Separate DCR for rental housing

e. CRZ

	Action Steps
i.	Separate coastal zone management plan need to be made which will be development friendly.

f. Land Reforms

	Action Steps
i.	Land title register
ii.	Data on land records to be made online for public for free access

7. Station Area Development Plan

	Action Steps
i.	Station Area traffic Improvement Scheme
ii.	Special policy by MCGM and MMRDA for redevelopment of land within 200 mts of stations in a time bound manner within 36 months.
iii.	Land around the stations, bus terminals re-development with higher FSI with mixed use.

8. Banking Reforms

	Action Steps
i.	Include informal sector like Self Help Group into formal sector
ii.	Government guaranteed Affordable Housing Fund
iii.	Priority loaning for AH at 5% per annum interest with incentives to banks.
iv.	Finances for self-employed unorganized sector

9. Law on Acquisition of land

	Action Steps
i.	All Reservation + Road + Land +Water + Sewerage pipe+ Infrastructure +Affordable Housing + Road setback + Road widening + Budget Railway + Airport + State Transport + Flooding +Firefighting to be taken on priority. Atleast 50lac houses at various locations and 50000 commercial Units to be made to rehabilitate the Project Affected People (PAP).

10. Land tribunals, fast track courts for timely resolution of disputes

	Action Steps
i.	Fast track, courts at all levels. Small causes City Civil Court, High Court, Tribunals for all issues relating to Slums, Redevelopment, Development for affordable housing

Long term

	Action Steps
i.	Housing and Urban Development ministries to be combined

ii.	MMRDA be given responsibility for framing the special scheme in the region
iii	For Mumbai MCGM be given complete authority for I/S +solving all the housing+commercial+connectivity needs.

It is true and absolutely necessary that the priority for the Development of Social and Economic infrastructure would support the Housing for the people who would like to stay and earn, through their various activities in the surrounding neighbourhood instead of commuting long distance for their livelihood and social life. It would also reduce burden on the already over stretched urban transportation system in any such big urban areas, Metros like Mumbai, Delhi, Kolkata, Bangalore, Chennai etc.

With best personal regards

Yours *Sincerely*



S. S. Hussain

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