



**FIRST DRAFT:  
THE KAMGAR PUTLA STORY: A COMMUNITY'S  
STRUGGLE FROM A SLUM TO A SOCIETY**

**SEPTEMBER- 2004**

Prepared by  
**SHELTER ASSOCIATES, PUNE**

## **ACKNOWLEDGEMENTS**

We would like to express our gratitude to YASHADA for selecting this project under 'Best Practice Documentation' and giving us the opportunity to document it through a short documentary film as well as a narrative report describing the entire process.

Our heartfelt thanks to Mr. Ratnakar Gaikwad, (Director General, YASHADA) for his unstinting support and guidance throughout the process. He has truly honoured the spirit of Partnership in our association with him over the last few years.

We also would like to thank Ms. Nasrin Siddique (Associate Professor, YASHADA) and Mr. Sunil Dhapte for their valuable suggestions regarding the report and film.

Pratima Joshi  
(Director)

**Shelter Associates**

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## **BACKGROUND ON KAMGAR PUTLA RELOCATION PROJECT**

In 1997, Pune faced one of its worst floods since 1961. The State Government was exerting pressure on the local government to plan out a re-settlement project for people affected by Disasters and Development works within the city. The PMC asked Shelter Associates, to carry out detailed surveys of 6 slum pockets along the river. Kamgar Putla, one of the oldest slums in Pune was the worst hit. 379 houses here were submerged in water for over 15 days. 150 houses were totally destroyed. The only solution for the people was to move to a different area.

160 families in this settlement became part of the “Baandhani” federation because they started to believe that the only solution was re-settlement on an alternate site. They wanted to be far away from the water. They wanted a house they could call their own. They wanted their children to grow up without fear of drowning. They decided to work for it together.

The struggle started in 1997. The people of Kamgar Putla decided to work with Shelter Associates to re-settle themselves. The decision was based on the re-settlement project they had seen in Dattawadi in which 56 families of the demolished slum of Rajendranagar were being rehabilitated. If Rajendranagar slum dwellers could do it, why couldn't they? And if Shelter Associates had achieved resettlement through work with the people of Rajendranagar under their federation, then why not for the Kamgar Putla Baandhani federation?

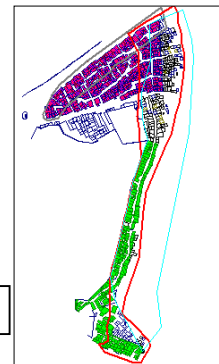
It was with this belief that federation activities took off in Kamgar Putla. There were 5 other slum pockets affected by the floods, but Kamgar Putla was the largest and the most vulnerable as it was located at the confluence of the Mula and the Mutha Rivers. Micro credit or Crisis savings were started, meetings were held, and slowly many of the problems people were facing were expressed.

### **KAMGAR PUTLA SLUM POCKET INFORMATION**

The entire slum of Kamgar Putla consists of two slums, Kamgar Putla and Rajiv Gandhi Nagar. Like in most slums, there are factions within settlements, and the Baandhani federation is concentrated in the Kamgar Putla area. The pink portions are Kamgar Putla and the green is Rajiv Gandhi Nagar. (Refer to KP fact sheet- appendix 1)

**The Baandhani federation is concentrated within the pink portions**

Map of Kamgar Putla



### **BASIC POPULATION FACTS**

<b>Total structures</b>	<b>948</b>
<b>Houses surveyed</b>	<b>810</b>
<b>Population</b>	<b>4054</b>
<b>Male: Female Ratio</b>	<b>1000:1004</b>
<b>Mean household size</b>	<b>5</b>
<b>Women-headed houses</b>	<b>24%</b>

The people concentrated on re-settlement; it was their main goal and was what they wanted to negotiate for. Unfortunately, from 1997 to 2002, there were many transfers and changes of administration heads. With every new civic chief, the federation had to re-start the entire negotiation process.

Re-settlement of poor people is not always on the top priority list of all administrations. With every new Commissioner, a new city agenda developed. Even with all these difficulties, the people still continued their struggle. They walked every new administrator through the process and slowly moved nearer to their goal.

Their present location in Kamgar Putla is extremely hazardous when the river rises and also at other times. Garbage of the entire city floats along the Mutha and deposits at Kamgar Putla. The land is swampy, covered with dirt and garbage and is also an open defecation ground. Sewer lines from the community toilets simply let out sewage at the edge of the settlement. The environment is extremely degraded.



These are pictures between the river and the settlement. For most that is the only free space which they can use, particularly as an open toilet.

### BASIC INFRASTRUCTURE FACTS

<b>Toilet Blocks:</b>	<b>7</b>
<b>Person to WC ratio</b>	<b>52:1</b>
<b>No. of Water Standposts:</b>	<b>38</b>
<b>Person to tap ratio:</b>	<b>13:1</b>
<b>(40% of households have individual taps)</b>	
<b>Electricity Borrowed:</b>	<b>45%</b>
<b>Own meters:</b>	<b>46%</b>

### KEEPING THE COMMUNITY TOGETHER:

As negotiations continued, Baandhani and Shelter Associates tried to improve the environment within which the people were currently living. When the Additional Municipal Commissioner, Deepak Kapoor (1999) announced that the PMC would cover the expenses of making vermiculture pits in housing societies, Shelter Associates suggested that this facility should be extended to slums as well. Vermiculture is an ideal way of dealing with garbage in slums as most of the garbage generated is wet garbage. Baandhani made the pit with PMC funds and Kapoor himself came to have a look. He lauded the efforts of the community to come together and improve their living conditions, even as they were waiting for re-settlement.



Kapoor examining the vermiculture pit

Gaikwad at Kamgar Putla



It was the continuous efforts of Baandhani that inspired the Municipal Commissioner Ratnakar Gaikwad (2000) to visit Kamgar Putla and listen to what the people had to say about moving. He visited the Shelter Associates office and saw tentative plans drawn up for them. As Shelter Associates and Baandhani had already begun negotiations with HUDCO for housing loans and were willing to handle the entire construction and management, he felt that it was an extremely viable and interesting project. He identified land in Hadapsar to which they could relocate. HUDCO officials also visited the site in Pune and considered the project to fall easily within their funding purview. The scene was set for re-settlement.



The Municipal Commissioner with Baandhani discussing the building plans at the Shelter Associates office in Nov 2000



The re-location site at Hadapsar.  
2.4 hectares of flat land far from the water.

## PREPARATIONS FOR RESETTLEMENT

The people of Kamgar Putla started saving for an initial down payment. Every family deposited Rs. 5000 in a common account opened for housing. Shelter Associates and Baandhani also wanted to involve **MHADA through the Lok Awas Yojana**. MHADA showed interest.

A Canadian-based research organisation, the **Institute on Governance (IOG)** was also intrigued by the possibilities of this project. In December 2000 a FORUM was set up by the IOG between Shelter Associates, the PMC, Baandhani and the Press. This FORUM could decide ways in which funding could be provided for supporting infrastructure for the re-settlement project. A MOU was signed between all the parties and the IOG was to provide the FORUM with 50000 Canadian Dollars to kick-start the project. (Refer to draft paper on Pune case study by Nirmal Pandit for details about the project- Appendix 2)

## HOUSING DESIGN NEGOCIATIONS

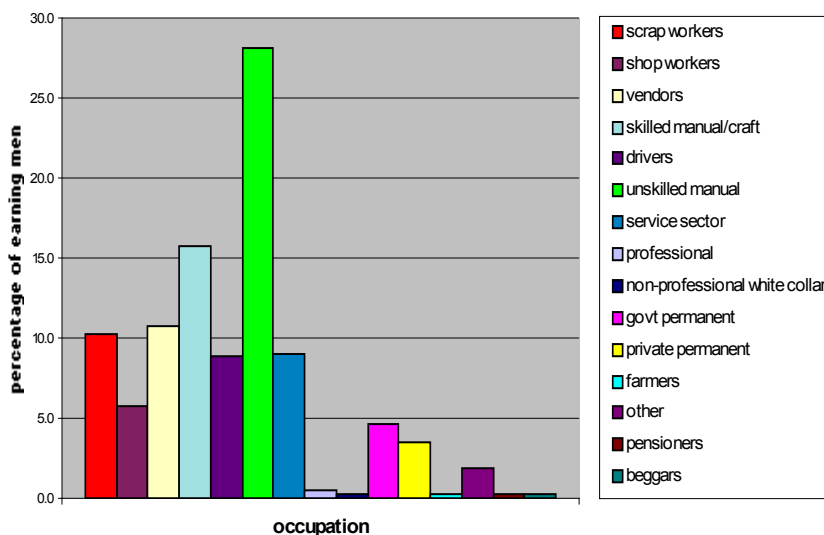
Numerous possibilities were discussed with the PMC. Should it be a 2.5 builder's scheme? That was rejected because there were no takers for the scheme. Recession had hit the housing market hard. Could it then be a 2.5 scheme promoted by the Kamgar Putla Baandhani? Even this seemed difficult for the people to do. The best alternative was a 1 FSI scheme. Low-rise, high density structures, in small manageable clusters, with four families sharing one toilet. Various designs were studied. The community had their own needs....no high-rise, and separate toilets for men and women. So instead of 4 families sharing one toilet, it would be the women of 8 families sharing one toilet and the men of the 8 families sharing another.

## TWISTED TRUTHS?

It was not all easy going for the community. Local politicians wanted the community to be re-housed in the same place. And what about the water? Well, they claimed they would build a 5 crore retaining wall to keep the water out. The argument was that most of the families depended on rag-picking or scrap vending as their main income source. Families boarded Lonavala-bound trains at the Sangam Bridge, collected scrap from there and returned in the evening. Moving would be equivalent to starving.

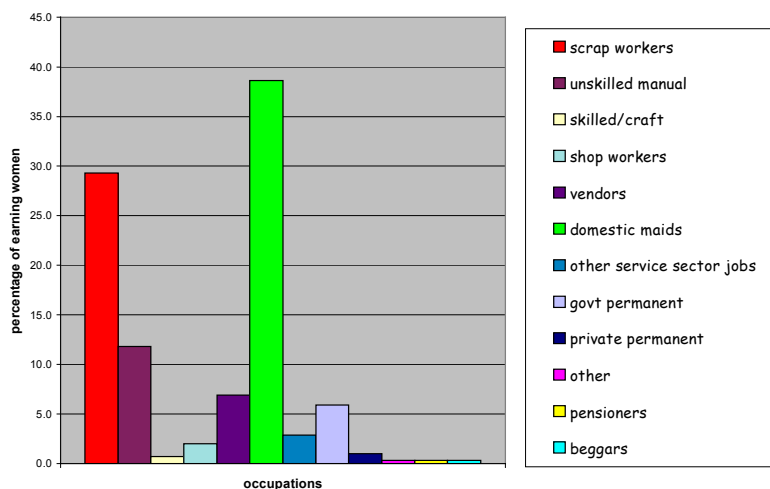
## YOU CANNOT FIGHT THE FACTS

Was this true? As this project coincided with the city-wide Slum Computerisation project, the people of Kamgar Putla Baandhani could demonstrate the actual situation with facts and figures.



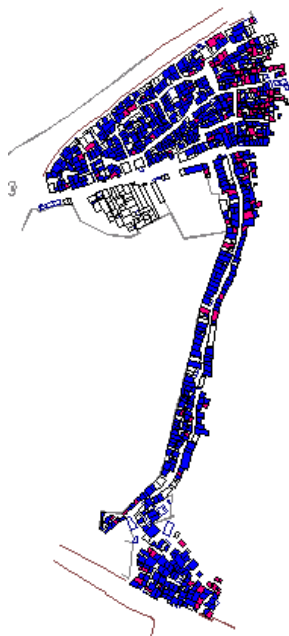
The male employment patterns clearly showed that the largest groups worked as unskilled construction workers, (in green) which did not need a specific work site. Scrap vending was carried out by barely 10 percent of the men (in red). The remainder, skilled workers, auto drivers, shop owners all said that moving out was not harmful to their trade or work. Either ways, it was worth the compromise if they could get legal houses far from the river.

The women's employment pattern showed that most of them were domestic maids. The site in Hadapsar was central enough to provide them with employment. In fact this entire idea of "rag-picking at Lonavla" proved to be more of a myth as a mere 3 families out of the 941houses surveyed in Kamgar Putla actually went to Lonavala.



## RIGHT TO RE-SETTLEMENT

Most of the residents of Kamgar Putla are on the electoral roll and have documentation indicating such. All the houses coloured in blue are those whose names are on the 1995 electoral roll. The average number of time they had been in **Kamgar Putla is 27** years. Most migrated from drought-prone areas where poverty forced them to leave their villages.



Ration Card	86%
Photo ID	63%
Name on Electoral Roll	64%

<b>Average no of years lived:</b>	
in Kamgar Putla	23
in Pune	28

### What Happens When Local Government Planning is Uncoordinated! Shelter Associates and Baandhani Learn the Hard Way from the PMC.

#### 1997-98 Map

After the 1997 floods, the PMC drew a High Flood Line across the settlement. Shelter Associates drew a detailed map of Kamgar Putla, which showed every house of the settlement. Along with that, a socio-economic survey of every house was carried out. This survey was done by the slum dwellers led by teams of social workers from Shelter Associates.

The maps and data were drawn and processed on a GIS. By drawing the flood line across the settlement, Shelter Associates found that 379 houses (seen in black) would get affected every time the river flooded.

**Simultaneously SA and Baandhani started working on a resettlement plan for the 379 flood-affected people to an alternate site.**



1999. Map 1



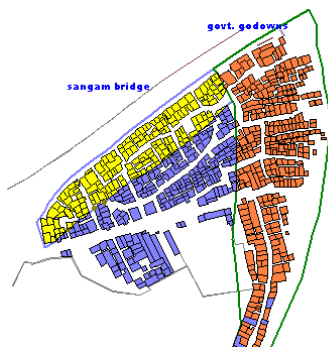


By then the Mutha River Improvement Committee, comprising of prominent activists, environmentalists, and scholars of the city, proposed the building of a “submersible road” in the riverbed. All the houses coloured orange would be displaced if this road was built. **Now, 559 families were affected. The re-settlement plan was getting larger.**

### **2001 Map 2**

A second set of drawings was submitted to the PMC. Shelter Associates then learned (through the FORUM meetings) that the Sangam Railway Bridge running over Kamgar Putla was to be widened by 20 meters. Now a total of 793 families out of 1014 needed to be re-located. The PMC suggested that perhaps the entire settlement should now move. **The project had grown to three times its original size.**

Ironically, as these plans were being discussed and drawn up by Shelter Associates and Baandhani in consultation with the PMC, another department of the PMC was constructing two large community toilet blocks within the high flood line area and a large community centre falling within the bridge area. This was identified by the people of the slum. Because of the constant involvement of Shelter Associates and the people of Kamgar Putla in the mapping and re-settlement activity, we could trace “ at the drawing board” the importance of co-ordinated planning and immediately work it out on the GIS.



### **2001 Map 3**

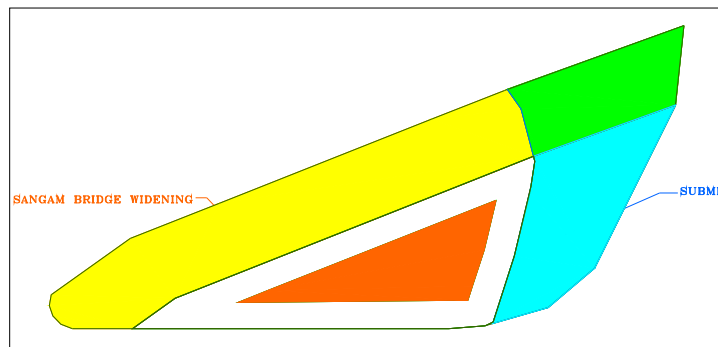
Now the third set of designs was submitted to the PMC. The Building Department of the PMC then realised that a part of the existing settlement had been reserved for in-situ re-development of affected people of Kamgar Putla. The triangular plot on the map is where the in-situ development is to take place.

### **2001 Map 4**



Once again, we were back at the negotiating table saying that the entire land for in-situ development decreased to half, because this plot spilled out into the bridge widening area, the submersible road and the high flood area. Thus in the entire SRD plot, only the orange triangle is where you can build. The cyan goes in the submersible road. The yellow strip goes in the bridge widening. Both affect the green area. What's left is the orange! In-situ for all rehabilitation is impossible.

#### 2001 MAP 5: SCHEMATIC DRAWING TO SHOW EXTENT OF SRD PLOT



SA submitted a feasibility report to the PMC with these findings and was able to demonstrate that in the small SRD plot that was left over, only 240 families could be resettled in a building comprising 11 floors. (Feasibility Report- Appendix 3)

#### AND THEN THINGS STARTED GOING DOWN.....

Things changed when the head of the administration changed. This was no longer a priority project for the PMC anymore and from the middle of 2001, Kamgar Putla and Shelter Associates came face flat against a blank wall. A couple of meetings with the civic chief gave some hope for a time. It seemed that things would go ahead, but nothing came of those meetings. IOG representatives also could not meet the civic chief so they moved the FORUM activities to Sangli. Baandhani managed a few independent interviews in the Lok Shahi Dins but nothing seemed to move the PMC.

Five years were gone. Rumours within the community were widespread about when they would move- this month, next month, or next year? The commissioner said within two months. Some other official said yes, but only with many other NGOs involved. Nothing seemed to be happening.

The people of Kamgar Putla were losing patience. They had battled for five years. They had worked hard, systematically and legally for a secure future they were entitled to.

#### Post Forum Struggle:

This was perhaps the most difficult and darkest phase of the NGO/CBO partnership. There were various forces working towards the breaking up of this partnership. Some officers in the PMC advised Baandhani members to pursue this project with the help of other NGO's as the relationship between SA and the Municipal Commissioner (MC) had deteriorated considerably. SA was unable to get an audience with the MC and at one stage had to seek the intervention of

the Housing Secretary to set up a meeting, which was later not honoured by the MC. But Baandhani members wanted to do this project only with SA.

The partnership between the NGO and the CBO was not a completely rosy affair; it had its fair share of problems and concerns. Though basic faith existed between us, a lot of problems still arose with nuisance generating persons trying to divide the federation. In difficult times we really had to struggle to stay together and keep the spirit from flagging. It was an acid test for everyone. During the most trying times people started losing patience. Nothing is finally going to happen through this method. It's going to fail. Everyone took out their frustrations on each other- it became an almost make or break situation. Some families started demanding their savings back. The partnership endured very trying times. There were lots of discussions, interactions and arguments amongst us!

These pressures led to factions between the federation; some still believed in the partnership and the others were ready to leave. This was a growing concern felt by the core members of the community and they held several rounds of discussions with SA to decide ways to tackle this growing dissension.

Everyone involved felt the only thing that could keep the partnership alive was concrete action, which would be a step forward in the process of Housing. After much deliberation it was decided that this would be a good time to start the registration process for establishing co-operative housing societies. Coincidentally, Mr. Ratnakar Gaikwad was the Commissioner of Registrar at that time. SA/Baandhani approached him and he extended his full support since he was well aware of the people's struggle. This generated enthusiasm once again. After several rounds of meetings it was decided that four Societies would be registered with 40-45 members in each, as it would be an easier number to monitor later when there would be bank loans and repayments to contend with. The Societies were finally registered by January 2003.

It was around this time that VAMBAY was introduced in Maharashtra and most Municipal Corporations were under pressure to implement up-gradation projects in slums under this scheme. (Refer to VAMBAY guidelines- Appendix 4).

An advertisement published in a prominent local newspaper by MHADA inviting tenders for the relocation of slum-dwellers on the Hadapsar site, the same site identified by PMC for KP and RJN, had us running to MHADA. We were informed that now under the VAMBAY scheme there would be 200 hutments each from four slums (hutments getting displaced by road widening projects) resettled on this piece of land of which KP would be one. MHADA had already drawn up the design for the relocation of 800 families and were inviting quotations from interested contractors/NGO's to implement the design. The infrastructure i.e. roads, drainage and water lines were already laid on site by the PMC. Our hearts sank. The community members rejected the design, as the tenements were too small. It was a shame that none of the options that SA had submitted had been considered, especially considering how long SA had been trying to work with the PMC. SA decided to participate in the bid and submitted the rates and the work that would be accomplished within the amount released under VAMBAY. By then it was clear that this amount would be inadequate to implement the scheme as per MHADA's specifications. Some contractors withdrew. Before the Civic Chief could open the tenders there was....

#### **Change in Leadership Again....**

In March 2003 there was a change of guard. Mr. Sanjay Kumar took over as the Municipal Commissioner of Pune.

SA and Baandhani made a power point presentation to the Municipal Commissioner and other members of the VAMBAY committee tracing the entire process from 1997. They were impressed to see the enormous ground covered by the NGO/CBO.

The Municipal Commissioner decided that we would be awarded the project of rehabilitating the families of K P and RGN. We were also able to persuade the VAMBAY committee to give us an opportunity to re-design the houses without disturbing the infrastructure that was already laid by the PMC. The committee agreed and soon we were able to submit designs that fulfilled the aspirations of the community. The Buildings Department of the PMC were very helpful and helped resolve problems of setbacks and FSI to comply with the PMC's rules and regulations.



The layout of 176 tenements showing clusters of eight tenements around small courtyards.

### Model House Exhibition:

With all these positive changes, there was a sudden surge of enthusiasm within the community and the community decided to hold a model house exhibition to demonstrate their housing aspirations to the city. On April 28<sup>th</sup>, 2003, the community celebrated their future with a “model house exhibition” on the Hadapsar site. The model house replicated the design of the new houses, and gave both the future residents and the guests a three dimensional view of the Shelter Associate design Administrative and elected representatives from the PMC and MHADA attended the celebration. Journalists from leading Pune newspapers, the Times of India and The Indian Express, documented the event.

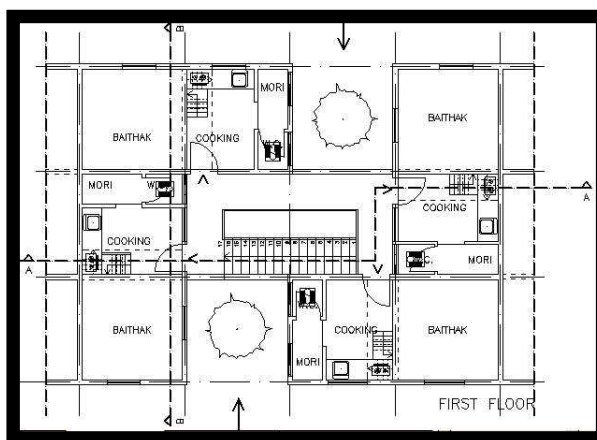


External View of the Model House Exhibition The Local Councillor visits the Exhibition

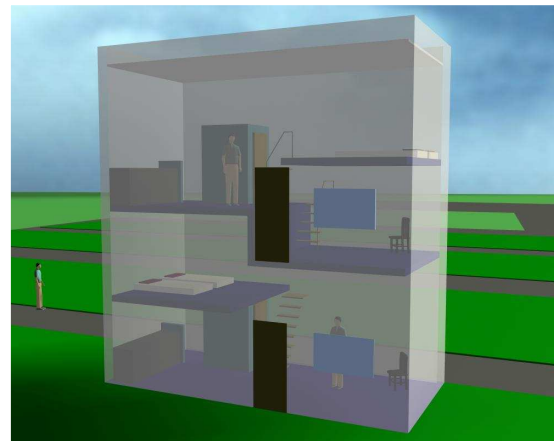
**The Design** of individual units and the general layout worked out very well within the given constraints. SA was able to demonstrate that low-rise, high-density solutions work well for the

poor as often their homes double up as income generating spaces. Because of this, high-rise buildings often fail to satisfy this need of the poor and force families to sell and go back to the slums. Also high-rise buildings are difficult to maintain in the long run. With inadequate or weak service networks, it becomes difficult for families on the upper floors to cope with breakdowns in service delivery.

The basic design was in modules of eight tenements- four on the ground and four on the first. The tenements were clustered around a central courtyard with just one flight of stairs leading to the first floor. The central courtyard was flanked asymmetrically by two small courtyards, which provided access to the individual tenements on the ground floor as well as to the staircase leading to the first floor. This design allowed plenty of sunlight and ventilation in each tenement. Also the placement of entrance doors was spaced in a way to avoid collusion in the courtyards or on the corridor on the first floor. It was decided with the community that each house would have one big window and five concrete *jalis* or trellised openings. The community had voted for individual toilets and this was incorporated in the design.



Basic floor plan of the cluster – 4 on GFL and 4 on FFL



Typical section to show the increase in height in one bay

The carpet area of each tenement was 200 sq. ft and worked out as two 10' X10' bays placed in a linear manner. This included a toilet and a *mori* with a small kitchen and a multipurpose space in front. The ceiling of one bay was raised to 14 feet to allow a mezzanine floor of approx. 100sq.ft. in addition as and when the family required it. This ultimately allowed the families to get 300sq.ft. of useable space. The cost of each unit worked out to approximately Rs.80000. The families already had saved up to Rs.5000 each, and needed to raise additional loans of Rs.30000 from the banks.

**The size of the tenement** was a critical issue for SA. According to the GR, families were entitled to a maximum of 22.5 sq. Mts. built up space. But the funds allocated under VAMBAY did not allow for this size. So in order to fit the tenement into the subsidy provided, the size was the first thing that was compromised. The design drawn up by MHADA allowed for a clear carpet area of 150sq.ft. After excluding spaces earmarked for WC, Bath and Kitchen what remained was a room about 80sq.ft. in area. SA had already determined through its extensive poverty mapping and pattern studies about slum housing in Pune, that the average size of families in slums was approx. 5. Most families owned a well-sized bed and a big steel cupboard. The families would literally live on this bed whenever their houses got flooded. With these two items of furniture, there was hardly any left over space for the family to function. Often officials justified these small sizes by pointing out their existing huts. "This is luxury compared to what they were living in" was the argument they put forth every time. ***This was a matter of great concern to SA, which believed that housing could be a very crucial instrument in bringing about transformation in the lives of the poor. It was necessary to work out minimum standards of space***

**required for a family to function comfortably.** Also a good house with well-planned, integrated services was half the battle won in terms of health and education.

#### **Working with the VAMBAY committee:**

Construction work started in September 2003 soon after *bhumi poojan* or the groundbreaking ceremony. MHADA was the nodal agency for disbursement of funds. A chief engineer of MHADA was appointed The District Housing Officer (DHO) and was in charge of monitoring the construction work. An Agreement was drawn up between SA and MHADA after the slabs for payment release and the terms and conditions were mutually agreed upon.

The Municipal Commissioner chaired the VAMBAY committee meetings and the committee comprised of officers of MHADA, the PMC, and elected representatives. It was informally decided that the committee would meet at least once every month to review the progress of the projects that were undertaken – both in-situ as well as the relocation ones, but in reality very few were held. This proved to be a major obstacle for the NGO, as many issues remained unresolved. The lack of co-ordination between MHADA and PMC often became a major impediment in the process. Though the heads of both the organisations were very co-operative and sympathetic to the problems faced by the NGO's, this attitude did not filter down to the lower officers in charge. In spite of oral instructions issued in several meetings, the officers in charge did not carry them out on grounds that there were no written instructions to that effect. Often the MHADA officers were completely overwhelmed by their PMC counterparts and sometimes stopped payments based on telephonic instructions received from them. This occurred despite the fact that the NGO had complied with terms laid out in the Agreement. At one point, the PMC decided to levy a premium for land on beneficiaries, which was worked out at Rs.1500 per sq. mts, and recover this cost from the final bill of the NGO. SA took this up strongly with the Housing Secretary, as it was clear that the poor would not be able to pay such a steep price for land (it was almost equal to the subsidy that they were getting under the VAMBAY project) and as this was not a precondition laid out in SA's Agreement with MHADA, we did not understand why the NGO was being penalised. The Housing Secretary completely agreed with SA and directed the VAMBAY committee to make land available free of cost to the beneficiaries. The PMC is yet to formulate its agreement with the beneficiaries regarding land.

SA tried to obtain a temporary electricity connection from the MSEB for construction and soon it became clear that the MSEB was not willing to extend this service. There was no Transformer on site and the MSEB informed the NGO that unless the PMC installed one, they would not grant us temporary connection. This was a matter of great concern as eventually there would be approx. 800 families moving on to this site and the matter needed to be resolved. Again SA brought this issue out during the VAMBAY meeting as well as independent meetings with the Municipal Commissioner and Housing Secretary. Between the PMC and MSEB this issue still remains unresolved.

#### **We are NGO's, not contractors...**

SA tried to impress upon the VAMBAY committee that since we are an NGO, and not into mainstream construction, an advance should be made out to start the construction process. This met with a lot of resistance initially as out of the two NGO's that were selected we were the only ones with this demand. After many rounds of discussion both with MHADA and PMC officers, a 10% advance for one bay comprising 24 tenements was extended by MHADA. The major requirement for release of funds was the submission of consent letters from the validated beneficiaries on a stamp paper in the format prescribed by MHADA. Earlier, the PMC and SA jointly validated these beneficiaries and this validated list was sent to MHADA. SA/Baandhani had no problems complying with this as our families had been waiting to get relocated. The first three slabs of payments were very smoothly executed and SA and MHADA shared very cordial relations throughout. In general everyone appreciated the quality of work as well as the design.

But SA soon discovered that the subsidy, which was announced as Rs.50000 per tenement, was actually only Rs.47619 as MHADA had decided to retain 5% of the amount as monitoring charges. There were additional taxes like work contract tax, which worked out to 4% of the total cost. Security deposits amounted to an additional 4%, which reduced the available amount per tenement to Rs.43500. SA brought this to the notice of the Housing Secretary, the Housing Minister, the Municipal Commissioner as well as the Vice President of MHADA and they all agreed that the Works Contract Tax should be scrapped. The MC wrote a letter to the Commissioner of Sales Tax to waive this amount for this project. The Housing Secretary too initiated a dialogue with the Commissioner of Sales tax at Mantralaya. But a spate of transfers of most of these bureaucrats has brought this process to a standstill. MHADA did decide to waive the 5% monitoring charges and a circular to that effect was circulated to all the regional offices from the Mumbai headquarters. This too ran into trouble at the local office as they wanted the VAMBAY committee to endorse that it did not have a problem with disbursing loans against Rs.50000. This made absolutely no sense to SA as the money belonged to MHADA, and it was they who had made this decision, so why did they need any committee to endorse it? But it became a contentious issue that did not get resolved. Though the Agreement between SA and MHADA states that the payments would be released against Rs.50000, SA still continues to receive payments against Rs.47619.

The sudden hike in prices of steel and cement further compounded the problems as all the calculations went haywire. This put a tremendous burden on the beneficiaries, as they had to increase the loan amount from Rs.25000 to Rs.30000.

#### **Loans from Banks:**

Since 2000, SA had initiated a dialogue with HUDCO, Mumbai, regarding housing loan facilities for the KP families. The officers from Mumbai visited KP and the proposed site and were favourably inclined to lending to these families. However, when this project got sanctioned under the VAMBAY scheme, HUDCO refused to extend loan facilities as the VAMBAY subsidy was routed through them from the Central government to MHADA and as policy, they could not lend to the same beneficiaries again. This compelled us to explore the option of raising loans from the regular banking sector.

It was becoming increasingly clear to all of us that the banks were not inclined to lending to the poor despite the fact that:

- The land was sanctioned by the PMC
- The drawings had been approved by the PMC
- There was a subsidy of Rs.50000 from VAMBAY
- The families had saved up to Rs.5000 each
- The people were willing to mortgage their tenements
- The amount they needed as loan was less than 40% of the total cost of the project

SA/Baandhani met with several bankers of Nationalised banks in an attempt to secure loans for this project. HDFC Housing (Mumbai) showed considerable interest but was sceptical about making out loans directly to the beneficiaries. They wanted SA to become guarantors for the loan. This was not possible, as it did not fall within the purview of SA's work. Also, the main concern expressed by the bank was delays in the disbursement of VAMBAY funds. 'What if we sanction loans and the VAMBAY funds do not come through?' was a question posed by the head office. Also, their past experiences of lending to the poor had been disastrous, so unless SA became guarantors, they were not willing to extend this facility to the poor. These were the sentiments shared by most bankers, including the one in which Baandhani had been regularly saving their collective funds.

United Western Bank agreed to lend to families who were employed within the formal sector of employment and eleven families got their first loans. It was Bank of Maharashtra, Shivajinagar branch, which came to our rescue. The first meeting was between the SA social

workers/Baandhani members and the manager of this branch. He was very impressed that the poor were negotiating for their own loans and expressed interest in knowing more about Shelter Associates. There was a second round of meeting at BOM in which SA made a power point presentation explaining the entire struggle over the past few years. The manager later visited the Kamgar Putla slum late in the evening and had long discussions with the beneficiaries till late in the night. He was totally convinced that the bank should support this project. With SA, he soon drew up the modalities of working out this system and before long and the bank sanctioned 69 loans. We worked in modules of 3 families, where each family became a guarantor for the other two. The families mortgaged their tenements to the bank and received loans at 8.5% interest, which was repayable in seven years with an EMI of Rs.486 per month. The community members were comfortable with this EMI as they had decided on a maximum repayment amount of Rs.500 after several rounds of discussion amongst themselves, to ensure that the most vulnerable did not get excluded from the process. Also, most families had to invest over Rs.3000 every year to replace tin sheets or carry out repair work after the monsoons, and hence did not find this amount exorbitant. Even rental housing was more expensive in KP given its proximity to the city centre. But then our luck ran out. The manager of BOM was transferred and the new officer was very reluctant to complete what his predecessor had started. He was very emphatic about his reservations about lending to the poor and asked SA to look for other alternatives. SA got in touch with the head office of BOM, which directed the branch manager to review the project. The process of negotiation with the new manager is still on.

As soon as construction commenced, many families from the neighbouring Rajiv Gandhi slum started making enquiries about the project. This was partly due to the fact that there was unrest within the settlement. Until now, most people did not believe that Baandhani would be successful in getting this project off the ground. Also lack of any positive intervention by their elected representatives who had promised them a retaining wall and new houses in the same place had not materialised. The SA/Baandhani project had scope for including a few families and decided that they would be made out to families who would make cash payments. Also, as policy, SA/Baandhani did not want to risk loans for families who had recently entered the process and this constituted almost 20% of the total number.

The loan issue was very critical to the success of this project. It brought out the dire need for setting up funds from which the poor could borrow. The Bankers were partly justified in their fear that there would be defaults. Their previous experiences with the poor had not been very encouraging. Though the tenements were mortgaged, the bankers were apprehensive of political interference, which would prevent them from taking over tenements of wilful defaulters. But in order to make housing a vehicle for transformation, it was necessary that the financial system get institutionalised. Most bankers suggested that the PMC should become guarantors for these loans, as it would be easier to tackle wilful defaulters with them.

### **Can the poor afford housing in the open market?**

Even if we considered for a moment that banks were willing lenders to the families employed in informal sector, can the poor really afford to take loans for houses in the open market? A cursory survey of the current housing situation in the open market reveals that the cheapest flats i.e.1 bedroom apt. with approximately 400 sq. ft. carpet area (just about 100sq. ft. more than ours) costs about Rs.450,000. This would easily work out to approx. Rs.3000 per month as EMI for 15 years. Our surveys show that within Kamgar Putla, the average range of repayment capacities varied from Rs.500 to Rs.1000. Even MHADA houses, which are coming up adjacent to the project site, have been priced at Rs.185,000 for a 300 sq. ft. tenement. This clearly indicates that housing is out of reach for the poor unless there is a subsidy component built in.



### Coming Full Circle- Floods Again and the Success of Kamgar Putla Resettlement...

There were floods in early August 2004 and it seemed like the project was coming full circle. KP went under water again and many families had to be shifted to government schools. Fortunately, as almost 100 tenements were ready, many of our flood-affected families could shift into their new homes.



Kamgar Putla submerged on 4<sup>th</sup> August 2004 (before)



A long view of the Bay F. (after)



Finally a secure home!

### Allocation of Tenements and Supervision by Baandhani:

Some families of KP/Rajiv Gandhinagar started shifting in June 2004. The community decided to allocate the houses by drawing lots. This took place in the Baandhani office at Kamgar Putla where all members gathered and picked a chit from a bag containing pieces of folded paper with numbers on it. In this way the tenements were allotted and every one got a fair pick.

Once the families knew where their tenements were, they took extra care to supervise the construction. Many of them spent long hours on site supervising the brick masonry and plasterwork. This became a regular feature and ensured good quality construction. On Sundays especially, there would be many people and it almost turned into a picnic for families as they would pack lunches and spend the entire day on-site. The committee decided to allot the work of fabricating doors and windows to one of the beneficiaries who had a small fabrication unit. This would ensure that the quality was consistent.

Once the basic shell was ready, some families started mobilising resources to carry out finishing work. The security of tenure and adequate spaces within gave them the confidence to make further investments. Almost without exception the first input was a 'stand up kitchen'. These were spanking new platforms finished with granite or cuddappah with stainless steel sinks. In whichever home a loft was built, it was converted into a bedroom. It was the first time people had different spaces to carry out different activities. Their middle-class aspirations were being expressed in the use of space and the finishes that they chose.



I too want a 'stand- up' Kitchen



Ceramic tiles on floor



Loft which gives additional space

The change that was taking place was tangible. There was a sense of pride amongst those who had shifted to the new site. **Now they were staying in a society and not a slum.** If anyone misbehaved, they would be immediately admonished as a certain code of conduct was expected.

### **CONCLUSION**

Through this project we have seen how urban housing for the working poor who live in slums can be a successful and transformative experience. Success comes through politicians taking into account slum areas and slum-dwellers during Urban Planning; through politicians and the government acknowledging that a large portion of the working population in many urban areas live in slums and that this population's housing needs should be served. Success comes through accurate and up to date information about slums and slum-dwellers being available, just as it is for the rest of the population. Once steps are taken to serve the housing needs of slum-dwellers, success comes not from throwing money at the problem or just building structures, but from slum-dwellers having a sense of ownership over their own housing through involvement in every step of the process. This includes choosing a location, planning the homes, building, financing, and whatever else is involved.

It has been almost three months since the first few families have shifted from Kamgar Putla to their new homes. Despite the initial hardships of settling down in a new place, all agree that they have finally arrived!