BRIEF DETAILS OF REDEVELOPMENT TERMS

CESS PROPERTIES
Any property on which a repair cess is charged for its repairs & maintenance by “Mumbai Building Repairs & Reconstruction Board”.

REHABILITATION FSI
The FSI required to rehabilitate existing tenants as per the area mandated by the rules.

INCENTIVE FSI
The FSI as a percentage of rehab component as per the rules, this is the area that can be sold in open market and serves as an incentive for undertaking redevelopment as cross subsidy.

CLASSIFICATION AND NO. OF CESS BUILDINGS

<table>
<thead>
<tr>
<th>S.No</th>
<th>Category of Building</th>
<th>Year of Construction</th>
<th>No. of Cessed Building</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A</td>
<td>Prior to 1.9.1940</td>
<td>13,532</td>
</tr>
<tr>
<td>2</td>
<td>B</td>
<td>Between 1.9.1940 and 31.12.1950</td>
<td>1,484</td>
</tr>
<tr>
<td>3</td>
<td>C</td>
<td>Between 1.1.1951 and 30.9.1969</td>
<td>1,273</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total 16,289</td>
</tr>
</tbody>
</table>
REDEVELOPMENT OPTIONS AVAILABLE FOR US

Development through MHADA

MHADA is a government body created with the objective of providing affordable housing schemes for all sections of society.

Development through Developer

Private developers seek to provide permanent alternate accommodation to existing tenants / Society members / co-owners and sell the incentive area in open market.

Self Development

All the tenants / Society members / co-owners can come together and form a proposed society which will undertake the re-development project by self financing, with the help of professionals such as architect, legal advisor, contractors etc.

Redevelopment of buildings constructed on MHADA/BMC land

The tenants of buildings constructed on MHADA/BMC plot can go for redevelopment with minimum 70% consents of tenants, under 33(9) either with the help of developers or through self redevelopment with prior permission of concerned authority. However 70% consents of tenants will not be required if the concerned authority undertake the scheme on its own.
CHALLENGES TO REDEVELOPMENT

★ DEVELOPMENT THROUGH MHADA

• Transit Camps
  – MHADA may provide transit camp as per availability which can be at distance places.
• Delivery Time
  – MHADA may take a long time to deliver Permanent Alternate Accommodation; forcing you to stay for extended periods in transit camps.
• Quality of construction
  – The quality of construction may be average.

★ DEVELOPMENT THROUGH DEVELOPER

• Transit Camps:
  – May relocate you to a poor quality transit camp or may provide insufficient rent facility,
• Delivery Time
  – May not deliver as per planned construction schedule
• Area
  – May include free of FSI components like flowerbed, niche area, in carpat area promised.
• Amenities
  – May not specify amenities clearly
• Design layout of rehab building
  – May provide sub-standard design, layout with poor ventilation, sanitation facilities.
• Quality of construction
  – May be poor because of use of sub-standard construction materials.
  – Note: Well known developers may fulfill their promises as per agreements.

★ SELF DEVELOPMENT

• Arrangement of adequate funds for construction in a timely manner
• Getting a full time committee and incentivizing the members to see redevelopment project through.
Information on Development Control Regulation 33 (7), 33 (9) and Self Redevelopment

DEVELOPMENT CONTROL REGULATION 33 (7)

- Applicable for redevelopment of ceased properties in the Island City
- Consent of at least 70% tenants / Society members / co-owners is required for redevelopment.

- CARPET AREA PERMISSIBLE

  RESIDENTIAL USERS
  - Minimum carpet area to be given to a tenant = 300 sq.ft (fixed)
  - Maximum carpet area to be given to a tenant = 753 sq.ft.
    - If a tenant has area less than 300 sq.ft, he will be eligible for 300 sq.ft carpet area.
    - If a tenant has more than 300 sq.ft. but less than 753 sq.ft. carpet area, he would get same carpet area as he occupied.
    - If a tenant has more than 753 sq.ft. of area, he would get 753 sq.ft. carpet area only.
  - Enclosed balcony area is also included in calculation of carpet area.

- COMMERCIAL USERS

  The maximum carpet area to be provided is equal to the area occupied in the old building.

  - The list of tenants / Society members / co-owners and the area occupied by each of them will be certified by Mumbai Buildings Repair and Reconstruction Board and the permanent alternate accommodation on ownership basis will be allotted as per the certified list.
  - New tenancy created after 13.06.1996 is not considered for redevelopment.
- An amount of Rs.5000/sq.mt. will be charged by corporation to owner/developer/society as additional Development Cess for the built up area over and above normally permissible FSI, for rehabilitation and free sale components. This development cess shall be enhanced @10% every three years.

- Redevelopment in any zone is allowed without going through the process of change of zone.

### PERMISSIBLE FSI

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Cess Category/ No. of plots</th>
<th>FSI Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>A' Category</td>
<td>2.5 of gross Plot Area or FSI required for rehabilitation plus 50% incentive FSI, whichever is more.</td>
</tr>
<tr>
<td>2.</td>
<td>'B' Category</td>
<td>FSI required for rehabilitation plus 50% incentive FSI.</td>
</tr>
<tr>
<td>3.</td>
<td>Composite redevelopment of 'A', 'B' &amp; 'C' category buildings declared as dangerous by the MHADA Board before monsoon of 1997.</td>
<td>2.5 of gross Plot Area or FSI required for rehabilitation plus 50% incentive FSI, whichever is more.</td>
</tr>
<tr>
<td>4.</td>
<td>For composite redevelopment of 2 – 5 plots with 'A', 'B' &amp; 'C' category cessed buildings.</td>
<td>2.5 of gross Plot Area or FSI required for rehabilitation plus 60% incentive FSI, whichever is more.</td>
</tr>
<tr>
<td>5.</td>
<td>For composite redevelopment of 6 or more plots with 'A', 'B' &amp; 'C' category cessed buildings.</td>
<td>2.5 of gross Plot Area or FSI required for rehabilitation plus 70% incentive FSI, whichever is more.</td>
</tr>
</tbody>
</table>

*Note: For schemes falling under CAZ areas, the maximum permissible FSI is 2 or existing built up area, whichever is more.*
DEVELOPMENT CONTROL REGULATION 33(9)

- This is Meant for cluster redevelopment of mix structures in island city under Urban Renewal Scheme to allow for
  - Development of planned neighborhoods
  - Better quality infrastructure and amenities
- Encourages development through joint ventures by landlords, tenants and developer with MHADA/MCGM, with consent from minimum of 70% tenants / Society members / co-owners and landlords.
- Minimum plot area of 4000 sq. m. is required to undertake this scheme.
- Permissible mix of structures includes
  - Cass buildings
  - Buildings acquired by MHADA under MHADA Act, 1976
  - Buildings belonging to Govt/ semi Govt/ MCGM constructed prior to 30.09.1969 and having Built up area upto 2000 sq.m, with prior permission of concerned department.
  - Buildings declared as dangerous constructed prior to 30.09.1969
  - Buildings declared as dangerous constructed after 30.09.1969, with prior state Govt. approval.
  - Areas declared as slums.
- The percentage of slum area and area under the buildings constructed after 30.09.1969 if any included in the Urban Renewal Scheme shall not exceed 25% of the total plot area.
  
  In case the plot area to be considered for redevelopment contains structures other than as mentioned above, the permissible FSI for the land area beneath such structures shall be 1.33.
  - Land belonging to Govt/ semi Govt/ MCGM will be made available subject to payment of 25% of the Ready Reckoner rate.
- High rise building shall be permitted only on access having width of 9 m.
DEVELOPMENT CONTROL REGULATION 33(9)

CARPET AREA PERMISSIBLE

For Residential users
- Minimum 300 sq.ft and maximum equivalent to the area occupied in old building.
- 269 sq. ft for Slum dwellers

For commercial users
- Maximum area is equivalent to area occupied in old building
  - For residential user having carpet area more than 753 sq ft, the cost of construction for area exceeding 753 sq.ft. shall be paid by the tenants / Society members / co-owners to the developer. The cost of construction shall be fixed by Govt. from time to time.
  - The carpet area exceeding 753 sq ft shall be considered for rehab FSI but shall not be considered for incentive FSI.
  - New tenancy created after 13.06.1996 is not considered for redevelopment
  - A certified inspection extract of MCGM for the year 1995-96 or Court order proving the existence of tenements prior to 13/5/96 shall be considered for establishing the number of tenements.
  - Assembly Election Roll of 1.1.1995 or other such reference date notified by Govt. shall be considered for establishing the slum inhabitants.
  - The list of tenants / Society members / co-owners and area occupied by each of them shall be certified according to the authority under whose jurisdiction the structure falls, as outlined in the table below.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Type of structure</th>
<th>Certifying Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Municipal Buildings</td>
<td>MCGM</td>
</tr>
<tr>
<td>2.</td>
<td>All other buildings excluding municipal buildings and slums.</td>
<td>Mumbai Buildings Repair and Reconstruction Board</td>
</tr>
<tr>
<td>3.</td>
<td>Slums</td>
<td>Competent Authority under slum act.</td>
</tr>
</tbody>
</table>
DEVELOPMENT CONTROL REGULATION 33(9)

- Permissible FSI – 4 or FSI required for rehabilitation of existing tenants / Society members / co-owners plus incentive FSI, as follow.

<table>
<thead>
<tr>
<th>Plot area (sq. m)</th>
<th>Incentive FSI as a percentage of rehab FSI</th>
</tr>
</thead>
<tbody>
<tr>
<td>4000 - 8000</td>
<td>55%</td>
</tr>
<tr>
<td>8001 - 12000</td>
<td>65%</td>
</tr>
<tr>
<td>12001 - 16000</td>
<td>70%</td>
</tr>
<tr>
<td>16001 - 20000</td>
<td>75%</td>
</tr>
<tr>
<td>more than 20000</td>
<td>80%</td>
</tr>
</tbody>
</table>

- However, for schemes falling under CRZ areas, the maximum permissible FSI will be 3.192

- 33(9) schemes will not be permitted in CRZ areas on reserved plots.

- Mezzanine floors constructed prior to 13.6.1996 and regularized subsequently will be eligible for rehab and incentive FSI.

- In proposals where FSI of 4 is claimed, the balance FSI over and above rehab & incentive FSI has to be shared between MHADA/ MCGM and developer in the ratio of 1:0.5

- The total permissible FSI shall be on gross plot excluding reservations/ designations, but including the built up area under reservation/designation.

- An amount of Rs.5000/ sq.m. will be charged by corporation to owner/developer/society as additional Development Cess for the built up area over and above normally permissible FSI, for rehabilitation and free sale components. This development cess shall be enhanced @ 10% every three years.

- Redevelopment in any zone is allowed without going through the process of change of zone.
# KEY DIFFERENCES BETWEEN 33(7) & 33(9)

<table>
<thead>
<tr>
<th>POINT</th>
<th>DCR 33(7)</th>
<th>DCR 33(9)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum rehab area</td>
<td>753 sq. ft.</td>
<td>Existing area subject to payment of construction costs for area exceeding 753 sq. ft. as outlined earlier</td>
</tr>
<tr>
<td>Minimum plot area</td>
<td>No limit.</td>
<td>Min 4000 sq m</td>
</tr>
<tr>
<td>Permissible FSI</td>
<td>2.5 or rehabilitation FSI plus 50% incentive FSI, whichever is more</td>
<td>4 or rehabilitation FSI plus incentive FSI as outlined earlier, whichever is more</td>
</tr>
<tr>
<td>Criteria for permissible FSI</td>
<td>Gross Plot area</td>
<td>Gross Plot area excluding reservation designations, but including the built up area under reservation designations</td>
</tr>
<tr>
<td>Amenity and recreational open space</td>
<td>At least 8% of amenity open space shall be maintained.</td>
<td>At least 10% of plot area shall be provided as recreational open space. In addition to this, 10% of plot area shall be earmarked for amenity space which can be adjusted against Development Plan reservation, if any.</td>
</tr>
<tr>
<td>Permissible usage of incentive FSI</td>
<td>20% incentive FSI can be used for commercial purpose.</td>
<td>30% incentive FSI can be used for commercial purpose.</td>
</tr>
<tr>
<td>Eligibility</td>
<td>Only cess category buildings are eligible.</td>
<td>Slums and buildings constructed after 30.9.1969 are also eligible up to 25% of total plot area besides cess buildings.</td>
</tr>
<tr>
<td>Corpus Fund</td>
<td>Not mentioned</td>
<td>Corpus fund is to be created by the developer to take care of maintenance for a period of 10 years, to be decided by the high power committee.</td>
</tr>
<tr>
<td>FSI permissible under CRZ</td>
<td>The maximum permissible FSI is 2 or existing built up area, whichever is more.</td>
<td>The maximum permissible FSI is 3.192.</td>
</tr>
</tbody>
</table>
PRECAUTIONS TO BE KEPT IN MIND
WHILE UNDERTAKING SELF REDEVELOPMENT

BEFORE SELECTION OF CONTRACTOR

- The tenants / Society members / co-owners should meet MHADA/ BMC officials and members from recently redeveloped societies to understand the process, intricacies & potential hurdles of redevelopment.

- The temporary committee of tenants/ occupants shall call a general body meeting and should appoint a full time committee and elect Chief Promoter, convener and treasurer. The committee members shall be fully dedicated towards the redevelopment of the society.

- All the decisions shall be confirmed by passing necessary resolutions in general body meeting.

- The committee should decide to appoint reputed professionals such as architect and legal advisor and work out the carpet area, amenities, proposed area available for sale, total expenses for redevelopment etc. and discuss and finalize the same with tenants / Society members / co-owners by calling a general body meeting and also finalize the appointment of architect and legal advisor.

- The committee should work out a fund raising plan by evaluating the following options.
  - Fixed contribution from each tenants/ Society members/ co-owners.
  - Assistance from financers / investors by offering them saleable area.
  - Subsidizing the construction cost by offering saleable area to contractor.

- With the assistance of architect, the committee shall call quotations from various contractors, finalize one of them and inform the tenants / Society members / co-owners.
• The committee, with the assistance of the contractor and architect, shall submit a proposal to the land owning authority (MHADA/ MCGM etc.) and obtain the NOC by making statutory payments and also obtain the consent from land owning authority for contractor’s appointment.

DURING IMPLEMENTATION

• To keep the interest and dedication of committee, the tenants / Society members / co-owners should provide incentives to the committee members by offering them monthly remuneration, extra areas etc.

• Many times the chief promoters and other committee members are suspected for self favours which needs to be avoided by maintaining unity among all the tenants / Society members / co-owners.

• The committee shall supervise the construction activities and inform the tenants / Society members / co-owners on the progress from time to time.

• The committee, with the help of appointed liaison architect/ contractor, shall obtain all statutory permissions/ NOCs.

• The committee should mobilize the funds required for construction on timely basis. It is advisable not to commence construction unless there are funds to support 100 days of construction cost.

AFTER COMPLETION

• The committee shall allot new permanent alternate accommodation to the tenants / Society members / co-owners through lottery system.

• The committee shall make arrangement of corpus fund for repair & maintenance.

• The committee shall register the society within stipulated timeframe.

• The committee should ensure that the new accommodation provided to tenants / Society members / co-owners are free of any dues/ mortgage/ litigation & there is no pending dues of any agencies/ statutory bodies on behalf of contractor.
PRECAUTIONS TO BE TAKEN WHILE UNDERTAKING REDEVELOPMENT THROUGH DEVELOPER

BEFORE SELECTION OF DEVELOPER

- The tenants / Society members / co-owners should meet MHADA/ BMC officials and members from recently redeveloped societies to understand redevelopment process, intricacies of redevelopment and potential hurdles.

- The Committee should adopt stringent selection process, if required, appoint professional agencies. The selection criteria shall include:
  - Track record of developer with regard to redevelopment projects.
  - Financial capability of developers; Insist on financial statements/solvency certificate from bank.
  - Experience in liasioning with civic authorities
  - Satisfaction level of the members of prior projects redeveloped by the developer.
  - Offer made by the developer which shall include proposed carpet area, corpus fund provision, transit accommodation facilities etc.

- The committee should discuss various promises made in terms of extra area, corpus fund etc. with developer. It can also cross check the feasibility proposal made by the developer through licensed architect.

AFTER SELECTION OF DEVELOPER, BEFORE SIGNING OF AGREEMENT

- With the help of its legal adviser, the committee shall finalize various terms and conditions with developer.

- The committee shall make the developer to execute following agreements between tenants / Society members / co-owners, society and developer.
  - Development Agreement
  - Power of Attorney
  - Individual agreement with each tenants / Society members / co-owners
• Shifting letter
• Allotment letter

✈ Tenants / Society members / co-owners should kindly note that unstamped and unregistered agreements are not valid in court of law.

✈ The committee shall ensure a proper stamping and registration of all agreements.

✈ The agreement must include following details.
  • Copy of Layout Plan
  • Copy of Floor Plan
  • Copy of Elevation Plan
  • Agreed Carpet Area
  • Duration of construction
  • Corpus fund details
  • Time frame for registration of society and expenses required for it.
  • Detail list of amenities to be provided
  • Provision of Parkings
  • Provision of Society Office and other benefits.
  • Provision of Arbitration incase of disputes
  • Details of transit facilities/rental allowance during construction
  • Details regarding sharing of extra FSI arising due to change in Government policies, regulations.

✈ The committee should obtain Bank Guarantee from developer to ensure that the construction gets completed within stipulated time frame.

✈ All agreements should be non-transferable.

✈ The Power of Attorney, if any required by the developer should be for specific purpose of construction only. It should include a clause stating that in case of violation of any terms of agreement, the Power of Attorney would stand cancelled automatically.
✓ The committee must help developer to finalize the list of eligible tenants / Society members / co-owners and settle the internal disputes among tenants / Society members / co-owners so that the development activity goes on smoothly as per the stipulated timeframe.

✓ The committee shall help the developer to collect the requisite documents from each tenant / Society member / co-owner viz. ration card, rent receipt, electricity bill, telephone bill, tenancy agreement, irrevocable consent letters etc. so that the developer can speedily submit the proposal to MHADA and obtain the NOC on time.

**DURING IMPLEMENTATION**

✓ The committee should ensure that there is a provision of its signature on all applications/plans submitted by the developer to MHADA/ BMC so that it is aware of what is being submitted for approval. This provision should be agreed in the Development Agreement.

✓ The committee should ensure that the developer obtain all the requisite statutory clearances/NOCs and submit a copy to the society and that construction is carried out as per the approved plans and with good quality of materials.

✓ The tenants / Society members / co-owners should force the committee to arrange meetings from time to time to discuss the progress of redevelopment.

**AFTER COMPLETION**

✓ The committee shall help the developer for allotment of new tenements through proper system of lottery.

✓ The committee should ensure that the developer has deposited the full amount of corpus fund with society.

✓ The society should force the developer to register the society as per agreement.

✓ The committee should ensure that the new accommodation provided to tenants / Society members / co-owners are free of any dues/ mortgage/ litigation & there is no pending dues of any agencies/ statutory bodies on behalf of developer.
PRECAUTIONS TO BE KEPT IN MIND
WHEN MHADA UNDERTAKES REDEVELOPMENT

BEFORE SELECTION OF CONTRACTOR

- The temporary committee of tenants/occupants shall call a general body
  meeting and should appoint a full time committee and elect Chief Promoter,
  convener and treasurer.

- The committee shall assist MHADA to collect the requisite documents from
  each tenants/Society members/co-owners viz. ration card, rent receipt,
  electricity bill, telephone bill etc. to finalize the list of eligible tenants/
  Society members/co-owners.

- The Committee shall request MHADA to involve them in selection process
  of contractors.

- The committee shall request MHADA to discuss and finalize the proposed
  layout/building plans/floor plans etc.

DURING IMPLEMENTATION

- The Committee should follow up with MHADA on a continuous basis to
  ensure that

  - The contractor appointed by MHADA is using good quality of construction
    materials.
  - Is undertaking the construction as per approved plan.
  - Progress of work is as per stipulated milestones.

- In case of any discrepancy with regard to redevelopment work, committee
  shall immediately bring it to the notice of MHADA and ensure that it is taken
  care of.

- Committee should keep pressure on MHADA in case the redevelopment is
  not proceeding as per schedule, through RTI, Petitions, raising concerns
  through media, representation through local political representatives.

AFTER COMPLETION

- The committee shall help MHADA for allotment of new tenements through
  lottery system.

- The committee shall follow up with MHADA for registration of society
Broad Roadmap to development through Developer

**Pre-Construction**
- Appoint full-time committee for redevelopment
- Arrange for transit accommodation
- Obtain consent of at least 70% tenants
- Apply to MCGM for sanction of plans
- Issue NOC to Developer after due diligence
  - Verification of consent
  - List of eligible tenants/Scc. members/co-owners and their eligible area
- Submit proposal to MHADA under sec. 88(3) of MHADA act

**During Construction**
- Obtain statutory clearances as per construction stages
- Construct rehab and sale buildings
- Monitor the Construction work and oversee fulfillment of terms and contract

**Post Construction**
- Allocate tenements to members
- Form building society within stipulated time-frame
- Provide corpus fund for maintenance as per agreement

**Legend:**
- Activity to be undertaken by
- Residents' association / society
- Developer
- MHADA
Broad Roadmap to Self development

**Pre Construction**
- Tenants to study Redevelopment Process
- Obtain NDC from Land Owning Authority
- Architect - Design & Liaisoning
- Advocate
- Arrange for transit accommodation
- Appoint Professional
- Prepare Redevelopment Proposal
- Appoint Contractor
- Arrange for immediate funds for construction; develop a funding plan for construction progress

**During Construction**
- Obtain statutory clearances as per construction stages
- Arrange and release funds for construction
- Monitor construction progress

**Post Construction**
- Ensure issue of all statutory certificates
- Allocate tenements among tenants
- Ensure regular maintenance of building

***LEGEND***: Activity to be undertaken by
- Residents' association / society
- Developer
- MHADA
Broad Roadmap to development through MHADA

**Pre Construction**
- Submit representation to MHADA with signatures of majority of tenants
- Send acquisition proposal to State Govt. after analysing building condition
- Acquire building
- Certify eligible tenant list, eligible area
- Float tender for redevelopment
- Instruct contractor to commence construction
- Provide tenant facilities
- Seek approval from MCGM with the help of contractor
- Appoint contractor

**During Construction**
- Construct the tenements
- Follow up with MHADA in respect of progress made by contractor

**Post Construction**
- Hand over tenements and form a Society
- Ensure regular maintenance of building

**LEGEND**: Activity to be undertaken by
- Residents’ association / society
- Developer
- MHADA