

DEVELOPMENT OF JAGANNA SMART TOWNSHIPS (MIG LAYOUTS) THROUGH PRIVATE PARTICIPATION

FAQs

1. Why do we need Private Participation?

- GoAP envisages to develop 'Jagananna Smart Townships, MIG Layouts' in each of the 175 assembly constituencies.
- In addition to the efforts being taken up by the Urban Development Authorities and District Administrations, it is imperative that huge land banks, finances, capacities are required. In view of achieving this in shorter timeframe, it becomes all the more important to explore alternate options and leverage on partnering with private sector.

2. What will be the role of Private Player/Development Entity (DE)?

- Identification and acquisition of lands
- The entire investment towards acquisition of land parcels, approvals, fees/other charges, development of External/Internal Infrastructure based on norms set by GoAP (Minimum Infrastructure Standards shall have to be cleared and certified by Government prior to Registrations)
- Handing over minimum of 40% plotted lands to the Govt/UDA concerned for allocation to the MIG Segments/Government Employees at the Prices fixed by the District Level Committees (UDA/District Administration/ Officials)
- DE to dispose the remainder at its discretion

3. What will be the role of Urban Development Authority (Government)?

- Offers Govt. Brand to the Project – bringing in credibility, marketability to the Project.
- Approvals and clearances in a time bound manner
- Price Fixation for MIG Plots.
- Set up Minimum Development Standards for infrastructure & the ensure the same is achieved on ground.
- To allot and oversee sale of plots to MIG Applicants

4. What are the key steps involved in the Project Implementation? (Milestones and Timelines)?

- UDA makes a newspaper advertisement calling for applications from interested DEs
- Interested DEs makes applications to UDA

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- DLC scrutinises and approves application, fixing rates at which MIG Plots shall be offered, MIG extents and configurations etc.
- DE and UDA enter into a Development Agreement with all the terms and conditions finalized in the DLC
- DE Completes Land Acquisition and remits the necessary fees/charges for approvals. UDAs/GoAP to approval/clearances in a time bound manner
- Once Approvals are issued, DE Registers the Project with RERA and has to complete the infrastructure works within 6 months from such registration.
- UDA may initiate calling of Applications for Sale of MIG Plots once project is registered with RERA.
- Allotment of MIG Plots will be based on Online Lottery
- EnC (PH) issues compliance certificate on infrastructure
- UDA shall then issue Layout Development Completion Certificate (LDCC) following due procedures
- Commencement of Registrations
- UDA shall dispose MIG Plots within 6 months from the date of issue of Completion Certificate. The timeline can be extended on mutual Consent.

5. What are the Technical and Financial Capacities that should be possessed by DE?

- Should be registered with UDA and NAREDCO/CREDAI
- The cumulative projects experience in the last five years is 40 acres. The minimum size of any one of these projects should be at least 4 acres.
- Should have a minimum net worth of 25 % of the estimated project cost at the close of the preceding financial year.

6. What is Selection criterion that shall be followed by the UDA in case of Multiple Applications are received from Development Entities for the same Region/Location?

- **Step 1:** Applications with land parcels being already acquired will be given the first preference, rest of the applications shall be filtered out.
- **Step 2:** Upon then, applications having maximum existing external infrastructure facilities viz., approach road, Power supply, drainage, water supply will be preferred, rest will be filtered out.

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- **Step3:** Upon then, applications offering highest percentage for MIG portion shall be considered.

7. Can DE Offer more than 40% as UDA Share for Sale for Mig Applicants?

Yes. In case DE Offers more than 40% as UDA Shae for MIG Plots, the DLC can accept or reject the Proposal depending on merits and feasibility factors such as Demand etc.

8. What is the Role of District Level Committee? Who are its Members?

DLC or the District Level Committee shall be constituted with the following composition by GoAP:

- District Collector
- Joint Collector
- District Registrar
- VC/MC of the UDA
- Program Manager (APUIAML)

The DLC shall be responsible for Selection of DE, all Terms and Conditions of the Project including sale Price of Mig Plots, Extents etc, and Project Monitoring.

9. Is there any cap on fixation of Sale Price below the market price for MIG Plots?

- The sale price of MIG Plots shall always be less than at least 10% of market price. The discount can go up to 20% below the market rate, which is the cap imposed.
- However, if DE offers a sale price more than 20% below the market rate, the DLC shall appropriately evaluate the offer for acceptance.

10. What is the Payment Schedule for MIG Applicants?

- 10% along with Application
- 10% within one month of agreement between DE, UDA & Allottee – subject to completion of plot marking and road formation
- 80% upon completion of the project and at the time of Registration

11. What happens to the sale proceeds of MIG Plots?

- The sale proceeds of MIG plots are deposited in an Escrow account.
- The proceeds through escrow arrangement shall be shared between Private Player, UDA and Program Manager in the ratio of 96:3:1 respectively.

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12. What controls are entwined into the policy to ensure the project is completed?

The following controls are set to ensure Development Entity's investment and MIG plot applicant's interests are protected.

- The entire project comes under the purview of RERA Act as per the policy.
- 80% of sale proceeds cannot go to DE till completion of the project and Registrations.
- EnC (PH), has to issue Compliance Certificate once Infrastructure works are completed.
- Only upon the issue of certificate by Enc (PH), the UDA will issue the Layout Development Completion Certificate (LDCC).
- Further, unless LDCC is issued the 15% of mortgaged plots shall not be released to DE as per RERA Act.

13. What are the infrastructure facilities mandated in the policy?

The Development Entity is mandated to provide the following:

- Internal Infrastructure: Roads, UGD, Storm Water Drains, Water Supply Network with Over Head Tank, Street Lighting, Avenue Plantation/Open Spaces.
- External Infrastructure facilities such as Approach Road and Electricity/Power Supply
- Formation of Plot Owners Association and maintenance of the Layout along with plot owners as required.

14. Is the market pulse tested before making the policy? Any consultations held?

- Andhra Pradesh Urban Infrastructure Asset Management Limited (APUIAML) has done preliminary market testing to ascertain the implementation possibilities.
- Feedback on Policy is taken from UDAs and District Collectors and further feedback taken from Organizations such as NAREDCO/CREDAI.