

The Tale of Two Townships

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Swanky new addresses, embryonic skylines, ample open spaces are some of the sub-urban charms the new towns of Ghaziabad and Gurgaon claim to offer.

Introduction

The nucleus of study of this paper has been the regulatory framework for the development of township by private developers in these two regions. The paper then talks about how civic amenities are provided in townships in these regions. An important alternative to government zoning and the tragedy of the urban commons—the private neighbourhood associations—represent the most sweeping development in privatisation today. Private builders have added a new facet to the governance mechanism at the township level. This aspect is as novel in these areas as the emerging skyscrapers.

Planning Procedure

The Ministry of Urban Planning and Poverty Alleviation (MUDPA) issues the Urban National Development Policy Formulations and Implementation (UNDPFI) guidelines, which are guiding principles from the union government to the regional planning agencies. These are by the way, not enforceable by MUDPA.

The development agency is free to formulate city level plans, sub-city level plans, comprehensive traffic and transportation plans, circulation network plans, traffic management schemes and environment management schemes. The development agency's planning department also sanctions building plans in the areas under the Development Authority's (DA) jurisdiction. According to these guidelines, township is planned keeping in mind the use of the zones. These zones are divided into residential, commercial, manufacturing, public and semi public, recreational, transportation and communication, agriculture and water bodies and special areas based on demographical concerns. The planners would study the housing pattern, transportation and social and economic trends to envisage future needs. The MUDPA issues the Simplified Development Promotion Regulations within the UNDPFI, according to which mixed-use zone may be identified at the development plan level, having more than one use zone with mixed activities of such use zones. In all there could be 35 use zones at the development plan level within the eight land use categories at the perspective plan level.

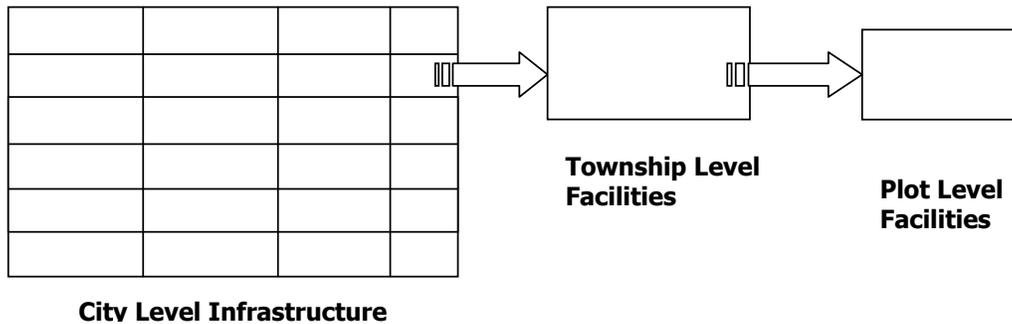
Usually half the area is kept for residential use and half of it for commercial purpose. According to recent amendments, recommendations for town planning are: 35% land would be residential and 65% used for services. Out of which 10-12% of the area is kept for parks and another 10-12% is kept for the circulation that is roads and streets, elucidates HS Suri, former Chairman of Institute of Town Planners of India (ITPI).

Infrastructure

The rules and regulations in place for development of infrastructure in Gurgaon and Ghaziabad are discussed subsequently. Essentially, the offsite infrastructure i.e. major trunk or grid lines from which colony connections can be taken by the developer are provided by the Development Authority and that is why the developer pays a huge one time external development charge to the Development Authority. The developer provides all onsite infrastructures.

The diagram below illustrates how the township level facilities (or layout level facilities) are connected to the city level infrastructure.

Three levels of Facility Management



Developing a Township

For any urban development project, the following steps are taken:

- Land acquisition
- Preparation of development plans
- Site development
- Allotment

Each DA has its own set of rules for township development that developers have to follow, which prescribes the minimum size of the colony, the minimum social infrastructure, the maximum buildable area, the open space to be reserved for green recreational areas, the minimum on-site physical infrastructure. The township planner, in the current scenario, essentially plans the township the way the government agency would allow it to. The land policy is central to township planning since it decides the ownership, division and the procedure of land disposal. This way, it also decides the quality of amenities the residents would enjoy. In this context, various options are available.

In a public- private participation in land assembly, the private builder can acquire large tracts of agricultural land from farmers (traditionally only done by the government) for the purpose of a residential colony or any other use. Pay license fee and external development charges to the concerned Development Authority and then proceed with the development and sale. The developer owns the land now. The builder in this case builds all social and physical onsite infrastructures and adheres to the Development Agency's byelaws and guidelines for development. This policy is followed in Gurgaon.

The other policy in place is where the government acquires all land; master plans it and allocates certain areas (sectors) for private developers. This is a more restricted role for the private developer. In this model, the land is long leased/owned by the developer. This policy is followed in Greater NOIDA.

Ghaziabad

Area: 2,59,000 hectares approximately
Population: 27.03 lac (1991)
Large/Medium Industry Units: 360
Capital Investments: Rs.1565.03 crores

Source: www.upportal.com

Ghaziabad is located in Western Uttar Pradesh, which is a sugarcane and wheat-growing area; the authorities woke up to the fact that a latent star-township could be erected owing to the proximity to the national capital and national highway 24. The first to enter the residential sector with a big bang here was Shipra Estates Limited. Developers like Gaursons, Parsvnath, Ashiana have entered the market, smelling hot cakes. And why not, the decadal rate of population growth is a huge 109.6% for Ghaziabad as compared to around 55% for Delhi.

Ghaziabad Land Policy

A joint venture is established between the Development Authority and the private developer, where the equity sharing between DA and the private developer is 10:90.

DA has to invest little (GDA equity comes to about 1.3 crores on 50 acre plot) and obtains free of cost facilities that are built up by the developer. If the DA decides to acquire land traditionally, under the Land Acquisition Act, 1894, it would have to face litigation hassles and pay compensation package to the uprooted.¹

This model is applicable to residential areas with a minimum size of 50 acres and does not take into consideration city/zonal level infrastructure facilities.

Procedure outline

- The DA would prepare an area development scheme indicating broad land uses of different sectors of land as modules, varying between 25 to 50 acres.
- Only after this, the DA invites developers for the joint venture.
- For funding, the acquisition developers would be pre-qualified through an open bid in the market.
- The joint venture partner would be selected on the basis of the bids offered above the reserve price and the highest bidder would be selected.
- The bid has to include 25 percent of the earnest money of the reserve price of raw land calculated at 1.5 times the expected compensation.
- In case the bid value works out to be higher than the negotiated land price, the balance is appropriated by GDA as acquisition fees. But if the bid falls below the negotiated price of land of the joint venture, then the partner would have to make available the balance towards the acquisition costs.
- The partners also have to provide 50 percent of the raw land price within 3 months without interest. In case of default, license would be cancelled.
- GDA equivalent in the joint venture (JV) would be 10 percent of raw land cost in the compensation amount with interest plus land acquisition.
- The developer equity in costs is 90 percent.
- The revenue received from the scheme is shared between GDA (8 percent) and state government (1 percent) and internal development cost account (60 percent).
- The developer prepares the detailed scheme layout of the township.
- Police station, post office and fire station is to be given free of cost by the developer.
- The project duration is specified in the JV agreement with a penalty for time extension.

Conditions in Shipra Estates

A company with a turnover of hundred crore, Shipra Estate Limited (SEL) has entered into a joint venture with GDA to provide about 200 acres of township called "Shipra Sun City" situated on national highway 24. The developers flaunt Shipra Sun City, the 'mini-city' to be

¹Compensation Package is the market value of land plus 15 percent of uprooting allowance plus 15 percent value of commercial land

self-contained. It is hailed as “The Centre of Tri-Star of Mercedes”— Equidistant from Delhi, NOIDA and Ghaziabad—by the developers.

The internal (road, street lighting, security) and external development works (water supply, power in the township) are to be provided by SEL in accordance with the detailed project report. The township is exempted from municipal taxes till it is handed over to Urban Local Body (ULB) for maintenance. Till this time, the maintenance of the township is the responsibility of the developer company, SEL. The developer is entitled to collect maintenance charges from the residents.

Power

Uttar Pradesh State Electricity Board (UPSEB) supplies power at the zonal level. The Shipra Estate authorities point their finger at UPSEB. The board blames technical problems and a prolonged dry summer. This summer, residents had to face power cuts lasting 2-2.5 hours per day. With the persistence and initiative of the RWA, the UPSEB informs them of any power cut in advance for which the residents are grateful, said the Residents’ Welfare Association President SK Mahendra.

Water

Shipra Estate Limited provides water through borings and tube wells. The supply is maintained through overhead tanks, according to the authorities. Residents complain that they have to bear with SEL’s erratic tube well water facility while the adjoining colonies get Ganga water. The complaints registry officials also confessed that water problems are common in Shipra Sun City. Ironically, the developers have reserved a sight for a water amusement park! Residents have to pay 0.5% of the value of their flat as maintenance charges, failing which SEL is empowered to disconnect the defaulters’ water connections. “We remain on the priority list of GDA. We get what we ask them for” said a top manager at SEL who refused to be named. Obviously, water is something not on SEL’s priority list.

Security

Security arrangements are contracted to Securitas Group4 agency.

SEL has devised a security system for the township keeping in mind the needs of the residents.” Security arrangements are outsourced, but we do not take any guarantee since crime is inevitable. We cannot have specified timings for our gates since many young BPO professionals stay in the township.”

Complaint registry system

SEL has contrived an effective complaint system. The complaints are generally classified by their nature-General, Civic, Electricity, Sewage, and Water. Normally in a day 20 to 30 complaints including general complaints like dysfunctional switches, power cuts, and empty water tanks are lodged. Mostly all of them are attended to. Those residents who are not satisfied with the way their complaints are attended to, mention their grievances to the RWA who in turn gets these complaints fixed on priority. Shipra authorities have employed mechanics, plumbers and electricians to address complaints on time. Mr SU Khan, the Vice President in the complaints office said, “Residents don’t have to pay any charges up to one year of taking possession of their respective flats but after this duration, material charges have to be paid”.

Medical facilities

The builders claim that Shipra Sun City is the most “complete and finest township” but when asked why a place where 3200 families reside does not have adequate medical facilities, SEL’s official response was that the resident doctors take care of emergencies and the

nearest Kailash Hospital (NOIDA) gives the residents 25% discount. Incidentally, this hospital is 7 km away from the township!

There is no site allotted to a hospital or even a dispensary in the plan.

Parking

The plan includes a mere 1800 car spaces while the car spaces allotted according to current population should be 5900. "Where then will we park our cars?" said Mrs Prakash Gupta, a resident. The Windsor Apartments sell marked car parks but until now, only three car owners have purchased the space.

Shops

The residential flats have their ground floors reserved for people to open their shops. Most of these shops are of PCO/STD photostat, courier outlets. The Shipra multi-storeyed tower also has its own ground floor market. There is one central market for residents of all the apartments. There are 832 shops in all. The central market has about 80 of them. The residents feel that there are too many shops and the area has been commercialised largely because the shop-deals yield a huge profit margin to the builders since the cost in making shops is much less than an apartment.

No vendor is allowed in the township. Shopkeepers are renting out their shop space to "gol guppa wallahs" in the evenings to earn some extra buck. These vendors sell chaat by setting up wooden tables. On speaking to Sonu, a vegetable vendor, I came to know that he has bought a shop and gets his vegetables from a mandi 10 kilometres away (Sahibabad Mandi). He confesses a virtual monopoly as far as vegetables are concerned since "thellahs" are not allowed inside the township area.

Residents however have to put up with very high prices. The price difference between the nearest *mandi* and Sonu's vegetables is about 100%! There used to exist a meat & vegetable bazaar just outside Sun City but the GDA would not allow any such *Patri-bazaar* to come up. Of course, it has caused a lot of inconvenience to us residents. We have to keep buying expensive vegetables or loading our fridge with cheap vegetables." The SEL authorities however maintain that they keep a stringent check on such violators.

Garbage collection

The RWA has employed sweepers at a cheaper rate who collect garbage from houses and dump it into a nearby empty plot outside the township. In a high-powered committee meeting including the vice chairman of GDA and representatives of the *Nagar Nigam*, the RWA was assured that garbage disposal would be taken care of. However, until now, no garbage shack has come up! Instead, the RWA is being accused of poor upkeep.

Sewerage

The sewerage system was planned for 2400 houses initially when the plan was laid out. However, currently, 6000 flats are inhabited! The Shipra authorities acknowledge that sewerage is being connected to the main sewerage system of GDA and is yet to be linked with a treatment plant under construction with the Indo-Japanese collaboration.

Transportation

SEL shrugs its shoulders when it comes to make transportation obtainable to residents. So does the Ministry of Urban Development & Poverty Alleviation (MUDPA). Despite increasing occupancy, there is no public transport, making Shipra Sun City inaccessible from adjoining regions. Auto rickshaws from Delhi are not allowed inside Uttar Pradesh since the police

bother them. Buses to and from Delhi are virtually unavailable. When this matter was brought to the notice of Minister of State in MUDPA, Bandaru Dattatreya, on 14 May, 2002 (Lok Sabha unstarred Question number 7248) the answer was anything but satisfying. The minister reasoned that 340 buses pass through Indirapuram daily. The reality is that the township is located on national highway 24 and it is but obvious that a large number of interstate buses ply and merely *pass* through Sun City. The demand of the residents remains unfulfilled especially when the bulk of professionals go to New Delhi and NOIDA for work and not to Hapur, Aligarh, Bulandshahr etc.

In such a scenario, office goers have resorted to chartered bus service. However there are only three of these currently operating.

Other facilities

Distributive facilities like Mother Dairy and Post Office are not in place until now. No space was allocated for a post office in the township until 9 January 2004.

According to the 1999 site plan, no site was allocated for a milk booth. The site plan was revised in April 2001 but again no provisions were made. After repeated requests by the residents, on 5 May 2001, GDA allotted a composite booth in the area. The site was allotted, but it was a size smaller than taken up by a composite booth. By the way, the Mother Dairy is not in place until date.

“We Residents are not even free to choose our cable network provider. The SEL chooses it for us since a pecuniary arrangement exists between the cable provider and the developers. The WA contacted CitiCable for providing the alternative service but the authorities did not allow them to lay down their lines!” alleged the RWA president.

Telephone cables, too, are in a mess. The efforts of the residents have led to 10000 telephone connections in this area. The RWA has to work towards setting up of voting booths in the locality.

Gurgaon: A Millennium City?

Area: 269985 hectare

Population: 11.46 lac (1991)

Industrial units: 1020

Capital investment: Rs 200 billion

Gurgaon has come a long way from Guru Gram. Although a small decrepit town still exists; the multinationals have given Gurgaon a facelift. Hewitt and Associates, Hughes Software, Alcatel, Perfetti and big guns of Indian Industry like Maruti Udyog and Hero Honda made Gurgaon their corporate abode.

On the residential front, DLF occupies most of the south east of the town, Unitech’s areas are in the centre and the south western corner, and Ansal owns land in the extreme north, extreme south, with one colony in the south east, just west of DLF Phase IV. The names of the areas developed by the major private developers are given in the table below:

Developer	Name of the Colony
DLF	Phases I-V
Ansals Palam Vihar	Sushant Lok (I, II and III)
Unitech	Greenwood City, South City (I and II and phases)

Gurgaon Land Policy

The government urban agency, the Haryana Urban Development Authority (HUDA), is responsible for the overall development of the town (including infrastructure, waste and water management) along with the Town and Country Planning Office (TCPO).

- The private 'coloniser' purchases land from the open market and procures licences for developing it from HUDA.
- The private developers then construct buildings according to their own designs within a specified buildings regulatory framework.

The Town and Country Planning Organisation department defines and publishes the final development plan of Gurgaon along with restrictions and conditions applicable to controlled areas covered by it. It determines the payment for external development charges. It also issues guidelines to private developers for planned development and rules, which define building bye-laws/regulations for private developers.

For assembling and developing land the developer applies to the Director, TCPO. The layout of the site and details of the land have to be submitted along with the application.

The DA issues a license after permitting the acquisition of land by the private developers directly from the farmer at negotiated market prices. The private developer thereafter becomes a coloniser. The Haryana Development and Regulations of Urban Areas Act, 1975, is a legal tool that sought greater private participation in the supply of serviced urban land. It utilised the technique of Negotiated Land Purchase wherein, the private developer could acquire directly from the farmers. License is to be given to the developer, if he has purchased a minimum of 100 acres (40.46 hectares) of land for plotted development or 5 acre (2.02 hectares) for group housing as per sector plan. More than 45 private players are involved in Gurgaon's property market, but three namely DLF, Ansal, and Unitech, have the lion's share. Licenses are issued to private developers under Section 3 of the Act for a period of 2 years for residential areas along with commercial and educational components. The entire process of land purchase and negotiating the land purchase and development has to be completed within 3 years. Pockets in between are acquired, developed and disposed off by HUDA. This model is applicable in residential sectors only. The model takes care of the *layout level facilities* only and payment to Development Authority for offsite infrastructure costs has to be made. HUDA provides offsite infrastructure in association with other development agencies in the government sector. The director, TCPO, does management, monitoring and application of necessary correctives on a private developer's operations.

Other conditions

- Internal infrastructure is the responsibility of the developer
- Self-financing is required in the project
- Development has to be completed in 2 years
- An application for extension of license period has to be made to extend the period by 3 more years

License is issued if,

- 20 percent plots are reserved for the Economically Weaker section (EWS); 55 percent of the plots are to be disposed off at profits, the rest to be sold at no profit no loss basis.
- Minimum of 40.5 hectares of the land is required for the developer for the issue of license to private developer.
- Payment of services charges for total area and handing over the requisite land for water and sewage treatment works till completion of external services.
- Private developer has to furnish a bank guarantee equal to 25 percent of the total cost of the internal and external development in the beginning and keep 30 percent of the inflow of funds from the plot buyers in a separate account for internal development.
- Responsibility for maintenance of services of the colony for a period of five years till the date of transfer of the colony to the government (free of cost).
- The developer is permitted a ceiling of maximum net profit of 15 percent of total project cost after making provisions of statutory tax.
- If the profit is more than the ceiling, then the surplus has to be deposited with the government within 2 months.

Governance in DLF City Phase 1

DLF Qutab Enclave, Phase 1, is managed by the DLF group. DLF bills residents for services at a cost of Rs.1.20 per square metre per month. These services include:

- Round-the-clock security
- Electricity consumption
- Repair of boundary walls
- Conservancy and general upkeep
- Upgrading roads/ parks

These charges include the establishment/administrative charges for rendering the above mentioned services, which shall include salaries of staff, rent, telephone, printing, stationary, electricity etc. incurred and in running the complaint centre in DLF City.²

Electricity

Haryana State Electrical Board (HSEB) had laid the electrical system for DLF City and their successors Haryana Vidyut Prasaran Nigam (HVPN) as deposit work in accordance with the norms set by the government agency between 1987-89 at the cost of DLF. These agencies were also paid five years' cost of operation and maintenance by DLF. At present, the Dakshin Haryana Bijli Vitran Nigam Ltd (DHBVNL) is the licensee for the system responsible for operation and maintenance. Despite the obligation of the DHBVNL to maintain the system, DLF has spent over Rs 3 crore during last three years only on maintenance and augmentation of the system, which include over 46 transformers installed recently. DLF is interacting with DHBVNL to find an immediate solution for maintenance of an electrical system in view of mounting frustration amongst residents who are paying the electricity bills despite DHBVNL not meeting its obligations.

Waste management

DLF, like other private developers, has its own arrangements for collecting waste from households. The Resident's Welfare Associations in these colonies have initiated this

² *Hindustan Times*, Tuesday, May 4, 2004 "SC ratifies maintenance charges in DLF City"
http://www.hindustantimes.com/2004/May/05/674_722374,00310005.htm:

arrangement with the contractors who dispose the waste in open areas of land nearby (usually not more than 2-3 km from the colony) or dumping yards using trolleys or rickshaws. A landfill site has been identified near village Gairatpur off Sohna road. The municipality does not have the right kind of dumpers to transport the city's garbage there. It has no money for them. Until they come, waste will rot all over the town or in the dump off Basai Road.

Water

The officials of HUDA claim that the Yamuna canal water is being supplied to most of the town, even though some problems of pressure and flow remain. Pipes have now been laid for supply to DLF III and Garden Estate. After receiving the green light, the developers have to connect them to their tanks. "Problems get worse in summers," said the general secretary of the RWA.

Sewerage

Sewerage treatment is under the purview of the HUDA and a master sewerage scheme is under implementation. Gurgaon does have a disposal yard across the railway line in the west, but connectivity has been a problem. Though the railways gave the permission to cross the line many months ago, several HUDA sectors have still not been connected to the disposal network. They continue to eject sewage on the colonies' roads. "The situation in DLF Qutab Enclave Phase 1 is certainly better than most of the HUDA sectors" feels SP Malhotra, general secretary of the RWA.

Medical Facilities

Presently, DLF Qutab Enclave does not have its own dispensary, there is going to be an Escorts Hospital soon in the vicinity, according to the general secretary, RWA. For their entire medical needs, residents depend on private hospitals and clinics outside the township.

Misuse of residences for commerce

The HUDA administration claims that 323 people running businesses in residential premises have been served notices in DLF City, Sushant Lok and Palam Vihar. The Residential Welfare Authority in DLF City however maintains that the DLF City estate agency does its work rather efficiently in reprimanding the violators. The urban planners say penalty clauses are scrawny and the enforcement is dismal. The RWA says that since majority of the residents are economically well off, very stray incidents of violations are observed.

Transportation

Gurgaon as a city has no local public transport worth the name. Two round trip Mudrika bus services, moving in opposite directions were envisioned, connecting the old town with the new colonies. They were announced with great elaboration, but never really got off the ground with the complete set of buses. Some of these vehicles have now been diverted to other routes. The private Tata Sumo taxis are booming thanks to the lack of inter-city transport to take passengers and mall hoppers in and around Gurgaon. The residents point out that a private vehicle is a must to commute inside the townships and of course within the suburb.

Current scenario of private participation

Builders mostly cater to the upper end, much to the chagrin of the town planners and policymakers. The reasons are not difficult to see. Only a development company, which has the resources and financial and strategic capabilities to consolidate at least 100 hectares (1