

LegCo Panel on Housing
Follow-up to Special Meeting on 19 February 2001
Overcrowding Relief for Public Housing Tenants

Following discussion of the LegCo Panel on Housing on the paper on “Overcrowding relief for public housing tenants” (CB(1) 597/00-01(05)) on 19 February 2001, this paper sets out the Administration’s responses to Members’ follow-up questions raised at the meeting.

Annual quota for public rental housing flats for overcrowding relief

2. Members requested information on the quota and geographical distribution of flats reserved for the provision of overcrowding relief. As explained in the previous paper on “Overcrowding relief for public housing tenants” (CB(1)597/00-01(05)), a new arrangement for providing overcrowding relief has recently been introduced. For 2001/02, a quota of 4 500 flats has been set aside solely for overcrowding relief and suitable new or refurbished flats throughout the territory will be identified for this purpose. This is an improvement over the past practice as the available quota is much bigger (cf 4 500 in 2001/02 against 1 300 in 2000/01). As the flats used for overcrowding relief are primarily existing ones vacated from time to time, their geographical distribution is not, and practically cannot be, pre-determined. For the first exercise to implement the new central allocation arrangement, the geographical distribution of the 2 000 flats identified is as follows:

Urban		650
Hong Kong	100	
Kowloon	550	
Extended Urban		830
Shatin	123	
Ma On Shan	7	
Tung Chung	287	
Tseung Kwan O	123	
Tsuen Wan	94	
Kwai Chung	110	
Tsing Yi	86	
New Territories		520
Tuen Mun	127	
Yuen Long	11	

Tin Shui Wai	217	
Sheung Shui	18	
Fanling	61	
Tai Po	86	
Total		2 000

Waiting Time

3. The Housing Department does not maintain a waiting list for households which require overcrowding relief. Information on the waiting time for such relief is not available either. We have advised Members that many households have refused offers of overcrowding relief due to other plans or specific preferences. Since July 1995, about 5 800 overcrowded families have refused Housing Department's offer of overcrowding relief.

Proposed Alternative Arrangements

4. Under the current system, tenants in need of overcrowding relief are prioritised according to their living density, household size and length of tenancy. Their waiting time for overcrowding relief is not taken into account. Members have suggested that two waiting lists should be maintained in parallel, one based on living density and the other waiting time.

5. Housing resources are limited and scarce in relation to demand. They should be allocated to those with the greatest housing need, which in the case of overcrowded households are those with the highest living density. The maintenance of a two-list system may result in allocating scarce housing resources to households with comparatively less urgent need. To uphold the principle of rational and effective allocation of housing resources, it is necessary to provide overcrowding relief on the basis of living density. In fact, this approach has the support of the Office of the Commissioner for Administrative Complaints.

6. Members have, alternatively, suggested a scoring system which takes into account both living density and waiting time in determining tenants' priorities for overcrowding relief. As explained above, the present arrangement for provision of overcrowding relief based on living density is fair and simple, and achieves the objective of allocating scarce public housing resources to households most in need. The adoption of a scoring system to

determine the priority of overcrowded families for relief may compromise this objective. The Housing Department hence considers it undesirable to replace the current density-based priority system with a scoring system.

7. The Housing Authority seeks to meet the needs of overcrowded households through increasing the supply of flats for this purpose as set out in paragraph 2. The revised arrangement featuring central territory-wide allocation should also facilitate more effective use of the available resources to address the needs of overcrowded households. Housing Department will monitor the effectiveness of these newly introduced measures.

Household Splitting

8. Members have also requested further information on the Housing Authority's policy on household splitting. A brief description of the current policy is at the Annex.

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Policy on Household Splitting

Under the existing housing policy, splitting of households is not normally allowed unless the family circumstances are so unique and extenuating that an exception should be granted. On 23 January 2001, the Rental Housing Committee of the Housing Authority reviewed and revised the policy on splitting of public rental housing households. The new arrangements are as follows :

Splitting requests from households living in shared accommodation arranged by the Housing Department

2. For this category, shared accommodation was arranged by the Housing Department for single persons mainly affected by clearance. Splitting requests (such as on grounds of overcrowding or inconvenience to sharer(s) brought by addition of family members, disputes amongst the household members, etc.) will be considered and dealt with by the Housing Department with priority. Details are as follows :

- (a) Upon establishment of genuine need, the splinter household will not be required to undergo Comprehensive Means Test, but have to pass the Domestic Property Test ^(Note 1);
- (b) If the splinter household passes the Domestic Property Test, a separate public rental housing flat will be allocated. Alternatively, the splinter household may apply for an Ordinary Green Form Certificate (valid for one year from the date of issue) to purchase a flat under any subsidized home ownership schemes in lieu of offer of a public rental housing flat.

^(Note 1) All family members should not possess any domestic property in Hong Kong during the period from 24 months prior to the date of application for splitting up to the date of signing Tenancy Agreement for the separate public rental housing flat allocated.

- (c) Both the main household and the splinter household will be subject to the Housing Subsidy Policy/the Policy on Safeguarding Rational Allocation of Public Housing Resources ^(Note 2) in normal turn.
- (d) Splinter household failing the Domestic Property Test will not be eligible for allocation of a separate public rental housing flat. However, it may apply for an Ordinary Green Form Certificate (valid for one year from the date of issue) for purchase of a flat under subsidized home ownership schemes.

Splitting requests from households sharing accommodation on a voluntary basis and family households

3. Splitting requests from these households will only be considered on fully justified grounds. The main and the splinter households will separately be subject to :

- (a) Comprehensive Means Test with income and asset limits pitched at Waiting List levels; and
- (b) Domestic Property Test.

^(Note 2) Under the Housing Subsidy Policy -

- (a) households with income exceeding two times the Waiting List income limit will have to pay 1.5 times net rent plus rates; and
- (b) those households with income exceeding three times the Waiting List income limit or who choose not to declare income, have to pay double net rent plus rates.

Under the Policy on Safeguarding Rational Allocation of Public Housing Resources, double-rent paying households are required to declare their assets at the next cycle of declaration (two years from the last declaration). Those with assets exceeding the prescribed limits are required to move out. They may be allowed to stay in the public rental flat for one year if they have a temporary need for housing, subject to their payment of a licence fee equivalent to market rent.

4. If both households pass the above tests, a separate refurbished public rental housing unit in the New Territories will be allocated to the splinter household. Refurbished flat in urban area will only be allocated with the endorsement of Chief Manager/Management upon recommendation from the Social Welfare Department. Both the main and splinter households can also opt for an Ordinary Green Form Certificate (valid for one year from the date of issue) to purchase a flat under subsidized home ownership schemes in lieu of public rental housing flat allocation.

5. Upon allocation of a separate public rental housing unit, both the main and the splinter households are required to declare income and/or assets biennially, irrespective of their length of residence in public rental housing.
(Note 3)

6. If the splinter household fails only the Comprehensive Means Test, a one-year temporary stay in Interim Housing in the New Territories may be granted upon application and fulfilment of the prevailing eligibility criteria. During this period, market licence fees will be charged and Second Priority Green Form status will be given if the income and asset limits for White Form applicants are met.

7. If any party who fails the Comprehensive Means Test and Domestic Property Test is adamant to split from the main household, it may approach the Social Welfare Department for consideration of compassionate rehousing.

8. If either or both parties fail the Comprehensive Means Test and Domestic Property Test, the households may withdraw their splitting applications and make own accommodation arrangement.

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(Note 3) Irrespective of the length of residence in public rental housing, households paying normal or 1.5 rent will be required to declare their income biennially while double-rent payers will have to declare their assets every two years with review cycles same as those for Housing Subsidy Policy and the Policy on Safeguarding Rational Allocation of Public Housing Resources.