

**Response to Public Comments
on the Consultation Paper
on the Urban Renewal Strategy**

Planning and Lands Bureau
October 2001

I **ACCOUNTABILITY**

Comment: The executive directors should be responsible for ensuring that the projects of the Urban Renewal Authority (URA) are completed on time.

Response: The Managing Director is the administrative head of the URA. Together with the other two executive directors, the Managing Director is responsible, subject to the direction of the URA Board, for administering the affairs of the URA. The three executive directors will be responsible for ensuring that URA's projects are completed according to schedule.

II **APPEAL MECHANISM**

Comment: There should be an appeal mechanism to deal with grievances and complaints concerning the payment of ex gratia compensation.

Response: The Government will set up an administrative appeal mechanism to deal with appeals by persons aggrieved by the decision of the Director of Lands in respect of the payment of Home Purchase Allowance (HPA) and Supplementary Allowance (SA).

This Appeals Committee panel will consist entirely of non-official members.

An owner of domestic property who is aggrieved by the decision of the Director of Lands in respect of the payment of HPA or SA may, within 30 days of such decision, submit a notice of appeal in writing to the secretary to the Appeals Committee panel. The secretary to the Appeals Committee panel will be a public officer. The Chairman or the Deputy Chairman of the Appeals Committee panel will nominate an Appeals Committee to hear an appeal. The secretary to the Appeals Committee panel

will also be the secretary to an Appeals Committee. The Appeals Committee will hear an appeal in public, unless it is agreed by all parties concerned that the appeal should be heard in private.

The hearing will be informal. The appellant should be heard if he is prepared to attend the hearing. The appellant may also be represented by someone else. A Lands Department representative should attend the hearing to explain the decision of the Director of Lands. The Appeals Committee will then make a determination on the decision of the Director of Lands. If the Director of Lands does not accept the determination, the case will then go to the Secretary for Planning and Lands who should review the case and make a final decision on it.

The Appeals Committee panel should consist of a Chairman, a Deputy Chairman and a panel of members (about 10 to 15). The Chairman or Deputy Chairman, together with three other members to be nominated by the Chairman or Deputy Chairman, will constitute an Appeals Committee to hear the case. Members of the Appeals Committee panel should come from different sectors of the community. Professionally-qualified persons and eminent members of the community should be included. The Chairman, the Deputy Chairman and the members of the Appeals Committee panel will be appointed by the Chief Secretary for Administration.

The Appeals Committee should be tasked to consider appeals relating to –

- (a) the eligibility of the appellant for the payment of HPA and SA;
- (b) the calculation of the payment of HPA and SA in a particular case; and

- (c) other related matters concerning the payment of HPA and SA.

As regards (a) above, the Appeals Committee will be asked to consider the facts of the case and to decide whether the appellant is eligible for HPA or SA according to the established policy. For example, the Appeals Committee could be asked to decide whether a flat is actually occupied by an owner's immediate family members.

As regards (b) above, the Appeals Committee will be asked to consider the facts of the case and to decide whether certain areas or structures within or on the premises should be included for the calculation of HPA or SA according to established policy and announced guidelines on valuation.

Administrative rules will be drawn up by the Government in consultation with the Chairman and Deputy Chairman for hearing appeals.

III HERITAGE PRESERVATION

Comment: Owners and tenants affected by the preservation projects of the URA should be compensated and rehoused respectively by the URA.

Response: Owners and tenants affected by URA's preservation projects will be treated in the same way as owners and tenants affected by URA's redevelopment projects.

IV IMPLEMENTATION SCHEDULE

Comment: The URA should not defer the implementation of projects because of the current economic situation. The

Government should inject capital into the URA to enable the URA to take forward the 20-year programme.

Response: Urban renewal is a long-term commitment of the Government. Hong Kong is currently facing adverse economic conditions. The URA will have to take into account the situation of the property market when drawing up its corporate plan and business plan. The objective is that the urban renewal programme should be self-financing in the long run.

V LAND ASSEMBLY

Comment: The URA should only assemble land for sale. It should not become a developer.

Response: The URA may implement an urban renewal project by:

- (a) developing it on its own;
- (b) developing it in association with a private developer; or
- (c) selling the assembled site to a private developer.

The mode of implementation will depend on the circumstances of the case.

VI LAND (COMPULSORY SALE FOR REDEVELOPMENT) ORDINANCE (CAP. 545)

Comment: The Land (Compulsory Sale for Redevelopment) Ordinance has a very restricted scope. The application of this Ordinance should be widened to promote urban renewal by the private sector.

Response: The Land (Compulsory Sale for Redevelopment) Ordinance was only brought into effect in June 1999. The Government would review the operation of this Ordinance in due course.

VII LANDSCAPE POLICY

Comment: The urban renewal strategy should include a landscape master plan which outlines the landscape layout, open space provision, pedestrian environment and recreational facilities for urban renewal areas.

Response: To facilitate better restructuring and replanning of larger areas, nine target areas have been designated, including –

- (a) Kwun Tong;
- (b) Ma Tau Kok;
- (c) Sai Ying Pun;
- (d) Sham Shui Po;
- (e) Tai Kok Tsui;
- (f) Tsuen Wan;
- (g) Wan Chai;
- (h) Yau Ma Tei; and
- (i) Yau Tong.

Landscape planning will be an important element of the restructuring and replanning of these target areas.

VIII LOCAL ECONOMIC ACTIVITIES

Comment: The social impact assessment should take into account the adverse impact of urban renewal on local economic activities.

Response: The social impact assessment of a proposed project will take into consideration the impact of urban renewal on long-standing economic activities in the neighbourhood and its impact on small business operators.

IX PEOPLE-CENTRED APPROACH

Comment: The Government should use a “people-centred” approach to urban renewal rather than a “building-centred” one.

Response: The Government’s policy is based on a people-centred approach to urban renewal. People come first under this policy. The goal is to improve the quality of life of people in older urban areas. However, redevelopment projects will involve the demolition of old and dilapidated buildings and the construction of new ones.

X PLANNING PARAMETERS AND PLANNING GUIDELINES

Comment: The Government will issue a set of documents setting out the planning parameters and financial guidelines to the URA as annexes to the urban renewal strategy. The planning parameters and financial guidelines should be released for public information.

Response: The planning parameters and financial guidelines contain sensitive information, including sensitive planning and commercial information. It would not be in the public interest to disclose them.

XI PRESERVATION PROJECTS

Comment: The preservation of historical buildings should not delay an urban renewal project.

Response: Heritage preservation may form part of an urban renewal project. The planning for the preservation of historical buildings should commence at the inception stage of a project. The preservation part of a project will be not allowed to hold up a project.

XII PUBLIC PARTICIPATION

Comment: The public should be given an opportunity to participate in the decision-making process of an urban renewal project.

Response: The community will be given an opportunity to provide input to urban renewal projects. This principle will be reflected in the urban renewal strategy.

XIII REDEVELOPMENT OF UNDER-UTILIZED INDUSTRIAL AREAS

Comment: Obsolete industrial areas should be redeveloped as part of urban renewal.

Response: Hong Kong's economy has changed from manufacturing-based to service-based in the last two to three decades. Some older industrial buildings are now under-utilized.

At present, there are about 1,600 industrial buildings in the Metro Area and about 820 of these are 20 years' old or above. It is estimated that by 2007, industrial buildings of this age group will increase to about 1,200 buildings. Many of the older industrial areas offer opportunities for rezoning to non-industrial use and redevelopment.

As part of the urban renewal programme, the URA should explore the possibility of redeveloping under-utilized older industrial areas comprehensively. The sites may be redeveloped with private sector involvement.

XIV REHABILITATION

Comment: The URA should be responsible for rehabilitation of old buildings within target areas. The URA should pay for such repairs and maintenance.

Response: It is the responsibility of owners to maintain their properties. However, Government support, including financial assistance, will be provided to those in need.

The URA will not be responsible for maintenance costs of owners within target areas. The URA should, however, consider introducing a maintenance costs reimbursement scheme for owners within the 25 uncompleted Land Development Corporation project areas.

XV REPORT ON PUBLIC CONSULTATION

Comment: The Government should issue a report on the public consultation on the urban renewal strategy.

Response: The Government will prepare a report on the public consultation exercise. The report will be submitted to the LegCo Panel on Planning, Lands and Works. The report will also be available on the Planning and Lands Bureau's website.

XVI SOCIAL IMPACT ASSESSMENT

Comment: Who will conduct the social impact assessment of an urban renewal project?

Response: The URA will be responsible for conducting the social impact assessment of a project. The study can be carried out by the URA itself or a consultants' firm, a local university or a non-governmental organization appointed by the URA.

XVII SOCIAL SERVICE TEAMS

Comment: The idea of urban renewal social service teams is supported. Such teams should be set up before the projects are commenced in a target area.

Response: The LDC funded two social service teams in the past. The experience was that such teams facilitated the urban renewal process and acted as a bridge between the LDC and owners and tenants affected by LDC projects. The URA should set up an urban renewal social service team for each of the nine target areas to provide assistance and advice to residents affected by URA's redevelopment projects. Such a team should preferably be set up before the first redevelopment project has actually commenced in a target area. However, the actual arrangements will have to be determined by the URA Board.

A service contract should be signed between the URA and the non-governmental organization running a social service team as regards funding and the ambit of work. The teams will be funded by the URA, but will operate independently, subject to the agreed guidelines and objectives.

XVIII TARGET AREAS

Comment: How are the nine target areas determined? Can more target areas be identified?

Response: In October 1998, the Planning, Environment and Lands Bureau (now retitled as the Planning and Lands Bureau (PLB)) asked the Planning Department to conduct a comprehensive planning study on urban renewal in Hong Kong. This planning study was completed in September 1999.

In this study, 200 projects have been identified for priority redevelopment, having regard to the age, physical conditions and the fire safety building design of the individual buildings and to the opportunities for improving the local infrastructure, the built environment and community facilities in the project areas. These 200 urban renewal priority projects are concentrated in certain districts. On the basis of the concentration of these priority project areas, nine urban renewal target areas (target areas) have also been delineated for comprehensive restructuring and replanning. These nine target areas cover relatively large areas ranging from 10 hectares to 130 hectares. These nine areas are delineated mainly for the purpose of replanning and restructuring.

XIX URBAN RENEWAL PROJECTS

Comment: The URA alone will not be able to resolve the problem of urban decay. Urban renewal should not be a prerogative of the URA.

Response: Although the URA is charged with implementing the Government's urban renewal strategy, it will not have a monopoly of urban renewal projects. Other public corporations and bodies may also put forward proposals for urban renewal. The Government will consider these proposals on a case by case basis and provide assistance where appropriate.

XX VALUATION GUIDELINES

Comment: Clear guidelines for determining both statutory and ex gratia compensation should be issued for public information.

Response: The Lands Department will shortly issue valuation guidelines for public information. The department will consult the Hong Kong Institute of Surveyors on the draft guidelines before finalizing them.