

# Urban Renewal and Buildings

## PREFACE

Section 20 of the Urban Renewal Authority Ordinance (Chapter 563) requires the Secretary for Planning and Lands to consult the public before finalizing the urban renewal strategy. Pursuant to that section of the Ordinance, the Secretary for Planning and Lands consulted the public on a draft urban renewal strategy from 1 August 2001 to 30 September 2001. Over a hundred submissions were received. On the basis of the comments received, the draft urban renewal strategy was revised.

The urban renewal strategy has been issued to the Urban Renewal Authority. When preparing its draft corporate plan, the Urban Renewal Authority has to follow the guidelines set out in this document.

## Urban Renewal Strategy

### Tackling the problem of urban decay

#### Introduction

- 1 At present, there are about 9 300 private buildings in the Metro Area (i.e. Hong Kong Island, Kowloon, Tsuen Wan and Kwai Tsing) which are 30 years' old and above. In ten years' time, the number of buildings over 30 years' old will increase by 50%. The problem of ageing buildings is most serious in older urban areas.
- 2 To address the problem of urban decay and to improve the living conditions of residents in dilapidated urban areas, the Urban Renewal Authority Ordinance (Chapter 563) was enacted in July 2000. The Ordinance provides a new institutional framework for carrying out urban renewal. The Urban Renewal Authority (URA) was established on 1 May 2001.

#### Quality of life in our urban area

- 3 A "people-centred" approach should be used to carry out urban renewal. The purpose of urban renewal is to improve the quality of life of residents in the urban area. The Government has to balance the interests and needs of all sectors of the community without sacrificing the lawful rights of any particular group. The aim is to reduce the number of inadequately housed people.

- 4 The key principles underlying the Government's approach to urban renewal are -
  - (a) owners whose properties are acquired or resumed for the implementation of redevelopment projects should be offered fair and reasonable compensation;
  - (b) tenants affected by redevelopment projects should be provided with proper rehousing;
  - (c) the community at large should benefit from urban renewal; and
  - (d) residents affected by redevelopment projects should be given an opportunity to express their views on the projects.
  
- 5 The main objectives of urban renewal are -
  - (a) restructuring and replanning designated target areas;
  - (b) designing more effective and environmentally-friendly local transport and road networks;
  - (c) rationalizing land uses;
  - (d) redeveloping dilapidated buildings into new buildings of modern standard and environmentally-friendly design;
  - (e) promoting sustainable development in the urban area;
  - (f) promoting the rehabilitation of buildings in need of repair;
  - (g) preserving buildings, sites and structures of historical, cultural or architectural interest;
  - (h) preserving as far as practicable local characteristics;
  - (i) preserving the social networks of the local community;
  - (j) providing purpose-built housing for groups with special needs, such as the elderly and the disabled;

- (k) providing more open space and community/welfare facilities; and
  - (l) enhancing the townscape with attractive landscape and urban design.
- 6 The Government aims to achieve the following targets through a 20-year urban renewal programme -
- (a) redevelopment of some 2 000 ageing or dilapidated buildings;
  - (b) improvement of the environmental quality of 67 hectares of old and run-down urban areas;
  - (c) rehousing of some 27 000 tenant households;
  - (d) provision of around 60 000 m<sup>2</sup> of open space;
  - (e) provision of about 90 000 m<sup>2</sup> of floor space for use as community/welfare facilities; and
  - (f) provision of seven new schools.
- 7 Urban renewal is not a "slash and burn" process. A comprehensive and holistic approach should be adopted to rejuvenate older urban areas by way of redevelopment, rehabilitation and heritage preservation.

## Role of the URA

### Introduction

- 8 The URA is tasked to implement an urban renewal programme consisting of 200 new projects and 25 uncompleted projects of the Land Development Corporation (LDC) in 20 years. The aim is to contain the problem of urban deterioration by the end of this period.

### Accountability and transparency

- 9 The URA must be accountable and responsive to the needs of the community. The URA Board should be accountable, open and transparent.
- 10 To increase its public accountability and transparency, the URA should issue guidelines on the declaration of interests to its Board directors. The URA Board should consider

opening its meetings to the public as far as practicable. The URA should also consider setting up an independent audit team.

#### Target areas

- 11 To facilitate better restructuring and replanning, nine sizeable 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.

#### Redevelopment

- 12 The Government has included 200 new projects and 25 uncompleted projects of the LDC for redevelopment. The 225 project areas cover a total area of 67 hectares. It is estimated that there are 126 000 persons living in 32 000 flats in these areas.
- 13 Among the 225 projects, priority should be given to the 25 uncompleted projects of the LDC since the residents in these project areas have waited for redevelopment for quite some time. The URA should consider the following factors in determining the priority of individual redevelopment projects -
- (a) whether the proposed project area is old and dilapidated and requires urgent redevelopment;
  - (b) whether the buildings lack basic sanitation facilities or are exposed to potential fire

risks;

- (c) whether the living conditions of the residents in the proposed project area are satisfactory;
- (d) whether the proposed project will improve the area by replanning and restructuring;
- (e) whether the proposed project area will achieve a better utilization of land after redevelopment; and
- (f) whether the rehabilitation of buildings in the proposed project area is a practicable and viable option.

#### Rehabilitation

- 14 Proper maintenance of buildings is an essential aspect of the regeneration of older urban areas. The rehabilitation of buildings improves the built environment and reduces the need or urgency for redevelopment. It is also in line with the Government's policy of sustainable development.
- 15 In order to promote the proper maintenance of buildings before redevelopment, the URA should consider introducing a maintenance costs reimbursement scheme for property owners affected by land acquisition for its projects. The purpose of such a scheme is to assure owners that money expended on maintenance is well spent even if the buildings are likely to be redeveloped in few years' time. Owners should be allowed to apply for reimbursement of the costs of the remaining useful life of the works which are required by the relevant authorities, including the maintenance or repair works required by the Buildings Department (under the Buildings Ordinance (Chapter 123)), the provision or improvement of fire service installations or equipment required by the Fire Services Department (under the Fire Safety (Commercial Premises) Ordinance (Chapter 502)), and the lift works or escalator works required by the Electrical and Mechanical Services Department (under the Lifts and Escalators (Safety) Ordinance (Chapter 327)), if their properties are eventually acquired by the URA for redevelopment.

#### Heritage preservation

- 16 Heritage preservation should be part of urban renewal, and the URA should preserve

heritage buildings if such preservation forms part of its urban renewal projects.

Preservation should include -

- (a) preservation and restoration of buildings, sites and structures of historical, cultural or architectural interest; and
- (b) retention of the local colour of the community and the historical characteristics of different districts.

- 17 As far as practicable, the preserved heritage buildings should be put to proper community, public or other beneficial use. The aim is that these buildings should be a living and functional part of the community and not mere historical artefacts for display.
- 18 The URA should consider setting up an advisory committee under its Board to advise on preservation work. The URA should also ensure proper interface with the relevant authorities, such as the Culture and Heritage Commission, the Antiquities Advisory Board, the Home Affairs Bureau and the Leisure and Cultural Services Department.

### **Land assembly process**

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| Resumption of land | 19 Under the Urban Renewal Authority Ordinance, the URA may apply to the Secretary for Planning and Lands (SPL) requesting him to recommend to the Chief Executive in Council the resumption of land required for urban renewal.   |
|                    | 20 Under the Urban Renewal Authority Ordinance, there is a time limit for application for land resumption. In case of a development project, the URA has to make an application for resumption within 12 months after the project has been authorized by SPL. In case of a development scheme, the URA has to make an application for resumption within 12 months after the plan for the scheme prepared under the Town Planning Ordinance (Chapter 131) has been approved by the Chief Executive in Council in accordance with section 9 of that Ordinance. The purpose of this time limit is to ensure that the residents do not have to wait too long to know whether their properties will be resumed. |
| Acquisition by     | 21 Although the URA may request resumption of land for redevelopment under the   |

agreement Ordinance, it should consider acquiring land by agreement before making such a request to SPL. Offers of purchase should be made after a project has been approved but before the land reverts to the Government.

### **Processing of projects**

Planning procedures 22 In order to expedite the urban renewal programme, new planning procedures have been introduced for processing URA projects. The URA may implement a project by way of a development project or a development scheme. The public can lodge objections to a development project under the Urban Renewal Authority Ordinance or to a development scheme under the Town Planning Ordinance. Procedures are in place to process such objections.

23 Under sections 21 and 22 of the Urban Renewal Authority Ordinance, the URA has to prepare a draft corporate plan setting out its proposed programme of projects for the next five years and a draft business plan setting out the projects to be implemented in the next financial year. The URA is required to submit its draft corporate plan and draft business plan to the Financial Secretary for approval each year.

Freezing surveys 24 Under section 23(2) of the Urban Renewal Authority Ordinance, the date on which a project (development project or development scheme) is first published in the Government Gazette will be regarded as the commencement date of the implementation of the project. The purpose of notifying the commencement date of the implementation of the project is that the URA may make reference to the said commencement date for determining the eligibility for ex gratia allowances and rehousing in accordance with the policy of the URA.

25 On commencement day, the URA should conduct a freezing survey to determine eligibility for ex gratia allowances and rehousing. The survey should be completed on the same day or at most within a couple of days. It is important that a comprehensive and accurate survey is conducted to prevent and deter "imposters" from taking up residence in the project area afterwards and abusing the rehousing scheme.

- District advisory committees
- 26 The URA should establish a district advisory committee in each of the nine target areas to give advice and assistance to the URA with regard to its urban renewal projects. The district advisory committees should be appointed by the URA Board and should be representative of the local community. Representatives of owners, tenants, District Councils and local non-governmental organizations with an interest in urban renewal should be appointed.
- Consultation on development projects and development schemes
- 27 Under section 23 of the Urban Renewal Authority Ordinance, the URA is required to publish in the Government Gazette the commencement date of the implementation of a project (development project or development scheme) and to exhibit general information about the project for public inspection. The URA should hold public meetings to inform local residents of its projects and to gather public views on them. It should also consult the concerned District Council on the project. Easy-to-understand pamphlets should also be printed for distribution to persons affected.
- Social impact assessment
- 28 The URA should fully assess the social impact of a proposed project and the social and rehousing needs of the residents affected.
- 29 Social impact assessment studies should be carried out in two phases as follows -
- (a) a non-obtrusive social impact assessment to be conducted before the publication of the proposed project in the Government Gazette; and
  - (b) a detailed social impact assessment after the proposed project has been published in the Government Gazette.
- 30 The main elements of the non-obtrusive social impact assessment to be conducted before the publication of the proposed project in the Government Gazette should include -
- (a) the population characteristics of the proposed project area;
  - (b) the socio-economic characteristics of the area;
  - (c) the housing conditions in the area;



- (d) the characteristics of local business activities, including small shops and street stalls;
  - (e) the degree of overcrowding in the area;
  - (f) the availability of amenities, community and welfare facilities in the area;
  - (g) the historical background of the area;
  - (h) the cultural and local characteristics of the area;
  - (i) an initial assessment of the potential social impact of the proposed project; and
  - (j) an initial assessment of the mitigation measures required.
- 31 The main elements of the detailed social impact assessment to be conducted after the proposed project has been published in the Government Gazette should include -
- (a) the population characteristics of the residents affected by the proposed project;
  - (b) the socio-economic characteristics of the affected residents;
  - (c) the rehousing needs of the affected residents;
  - (d) the housing preferences of the affected residents;
  - (e) the employment status of the affected residents;
  - (f) the place of work of the affected residents;
  - (g) the social networks of the affected residents;
  - (h) the educational needs of the children of the affected families;
  - (i) the special needs of the elderly;
  - (j) the special needs of the disabled;
  - (k) the special needs of single-parent families, particularly those with small children;

- (l) a detailed assessment of the potential social impact of the proposed project; and
- (m) a detailed assessment of the mitigation measures required.

32 Most of the factual data for the detailed social impact assessment should be collected as part of the freezing survey to be conducted immediately after the publication of the proposed project in the Government Gazette. The URA should submit a report of the detailed social impact assessment to SPL when it submits a development project under section 24 of the Urban Renewal Authority Ordinance. The URA should also submit a report of the detailed social impact assessment to the Town Planning Board when it submits a development scheme under section 25 of the Urban Renewal Authority Ordinance. The URA should release this report for public information.

Urban renewal social  
service teams

33 The URA should set up an urban renewal social service team in each of the nine target areas to provide assistance and advice to residents affected by URA's redevelopment projects. Such a team should operate independently and should preferably be in place before the first redevelopment project has actually commenced in a target area.

### **Financial arrangements**

34 The Government is exploring the following financial or related tools to enhance the viability of the URA projects under its 20-year urban renewal programme -

- (a) waiver of land premia for redevelopment sites;
- (b) waiver of land premia for rehousing sites; and
- (c) loans to the URA.

35 The objective is to encourage private sector participation and a self-financing urban renewal programme in the long run.

36 Under section 10(4) of the Urban Renewal Authority Ordinance, the URA shall exercise due care and diligence in the handling of its finances.

### **Parameters and guidelines**

- 37 The Government will issue a set of documents setting out the planning parameters and financial guidelines to the URA as annexes to this urban renewal strategy. The documents will include -
- (a) the detailed plans of the 225 redevelopment projects;
  - (b) the concept plans of the nine target areas;
  - (c) a list of the historical buildings to be preserved;
  - (d) the priorities of the projects; and
  - (e) planning parameters and financial guidelines.

As the documents contain sensitive information, it would not be in the public interest to disclose them.

- 38 Section 21(3) of the Urban Renewal Authority Ordinance requires the URA to follow any guidelines set out in the urban renewal strategy prepared by SPL when it prepares its five-year corporate plans.
- 39 The urban renewal strategy will be reviewed and updated regularly (every two or three years). The public will be consulted on the revised urban renewal strategy before it is finalized for implementation.