

For discussion
on 20 January 2009

LEGISLATIVE COUNCIL PANEL ON DEVELOPMENT
Review of the Urban Renewal Strategy

PURPOSE

This paper reports the progress of the review of the Urban Renewal Strategy (URS Review) and invites Members' views on the key issues relating to urban regeneration that should be examined during the Review.

BACKGROUND OF THE REVIEW

2. In 2001, the Government set up the Urban Renewal Authority (URA) to take over urban regeneration work from the Land Development Corporation. In the same year, the Government, after extensive public consultation, published the URS to provide broad policy guidelines to the work of URA.

3. Over the years, community aspirations over urban regeneration and public views on its implementation have changed considerably. In order to reflect the changing circumstances and public aspirations, the Government considers it timely to launch a major review of the URS. After consulting Members on the proposed modus operandi and public engagement process of the Review vide Development Panel paper no. CB(1)1951/07-08(03) in June 2008, we launched the Review in July 2008.

APPROACH AND PROCESS OF THE REVIEW

4. As we briefed Members in June 2008, the approach of the Review is intended to be a root-and-branch one, with no pre-determined agenda. Different aspects of urban regeneration, not limited to the current work of URA, will be examined to see whether there is public consensus on how the current URS should be updated and revised. Amendments to the URA Ordinance may also be considered, where necessary.

5. A Steering Committee on Review of the URS has been set up to guide and monitor the whole review process. The Committee is chaired by the Secretary for Development with ten unofficial members experienced in urban renewal, city planning, heritage conservation and community work.

6. A key component of the review is a robust and extensive public engagement process of about two years, supported by studies on urban renewal experience in a number of comparable cities. A policy study consultant, a research team of the University of Hong Kong, and a public engagement consultant, A-World Consulting Limited, have been commissioned to assist in the review.

7. The review process is structured into three stages, namely “Stage 1 – Envisioning” (July 2008 – January 2009), “Stage 2 – Public Engagement” (February 2009 – December 2009) and “Stage 3 – Consensus Building” (January 2010 – April 2010). We are now at the end of the Envisioning Stage, whose objective is to set the agenda for the review process and decide the range of topics and issues to be included for discussion in the subsequent stages.

PROGRESS IN POLICY STUDY

8. During the Envisioning Stage, the policy study consultant has researched into the urban renewal policies and practices in six comparable Asian cities, namely Seoul, Tokyo, Singapore, Taipei, Shanghai and Guangzhou. The information obtained will provide a solid and objective basis for informed discussions by the community during the Public Engagement Stage of the Review.

9. The study involves both literature reviews and field visits. It covers various aspects of urban regeneration including institutional arrangements, financial models, land and taxation policies, roles of different stakeholders, approaches of urban renewal, acquisition and resumption policies, compensation and re-housing policies, community engagement and evidence of cost effectiveness and efficiency. The study also examines the underlying social values and political structure in these cities and the power relationship among various stakeholders to assess the extent to which these overseas examples can serve as references for urban regeneration in Hong Kong.

10. A detailed account of the progress of the policy study is given in a progress report prepared by the policy study consultant at **Annex A**.

PROGRESS IN PUBLIC ENGAGEMENT

11. It is important to gauge the views of the Hong Kong people on the future direction of urban regeneration. Upon the launch of the Review, we have published a pamphlet together with a questionnaire and set up a dedicated website for the Review to provide background information about urban renewal work in Hong Kong and engage the public in the Review. The website, with an eForum, provides a platform for the Government to disseminate information about progress of the Review and for the public to express their views in an interactive manner. A series of focus group sessions and meetings were conducted to identify the key concerns of relevant stakeholders, the general public as well as professional groups and statutory bodies. We have also launched an API to further enhance the public awareness of the Review.

12. URA organized a one-day seminar on Asian experience on urban renewal on 15 December 2008 to enable overseas experts and practitioners to share their experience with stakeholders in Hong Kong. The seminar was well-attended by over 300 people.

13. Meanwhile, we are preparing for larger scale public engagement activities in the second stage of the Review. We are setting up an “Idea Shop” (a specialized community centre set up for the review) in Wan Chai where educational and interactive activities related to the Review will be organized.

14. Through the public engagement consultant, we are now inviting district councils, professional bodies, educational and community organizations to join a Partnering Organization Programme, which aims to encourage the wider community to take an active part in the Review and to stimulate more creative ideas to help shape the future direction of urban regeneration in Hong Kong. Interested organizations are invited to submit proposals for organizing activities related to the Review. These activities may take the form of exhibitions, competitions, workshops, discussion forums, and so on. Besides, we will actively employ other means to engage the public, including road shows, public forums and topical discussions.

15. A detailed account of the progress of public engagement is given in the paper prepared by the public engagement consultant at **Annex B**.

SUMMARY OF PUBLIC VIEWS RECEIVED SO FAR

16. So far, the following major issues were raised by various stakeholders during the Envisioning Stage –

(a) Vision & Considerations

- Many suggested that the vision of urban renewal depended on the long-term positioning of Hong Kong and should be part of the town planning and economic development strategies.
- Some expressed more specific concerns about development density, urban design (e.g. building height, local characteristics and public spaces), environmental protection and public transport considerations during the urban regeneration process. Some suggested to conduct more studies on and improve co-ordination among related areas and policies (e.g. local culture, poverty, heritage preservation and the Landlord and Tenant Ordinance).
- There have been a lot of discussions on the meaning of “people-centred approach”, the relation between development and quality of life, and the importance of preserving and revitalising social network, local culture and heritage as well as local economy. Some suggested that improvement of the living conditions of owners and tenants in dilapidated buildings was a welfare issue that should be achieved through social welfare programmes rather than urban redevelopment.
- There were also suggestions to extend urban renewal to cover industrial areas and areas outside the target areas included in the current URS.

(b) Balance & Coordination among 4Rs¹

- Some called for more emphasis on rehabilitation, preservation and revitalization to better preserve local character and social network, whilst some supported early redevelopment for buildings with poor

¹ 4Rs refer to Redevelopment, Rehabilitation, Revitalisation and pReservation.

safety and environmental hygiene conditions due to poor building management and maintenance.

- Many recommended better co-ordination among the 4Rs (e.g. guidelines on how to decide between redevelopment and rehabilitation).

(c) Role of Stakeholders

- Many emphasized that different stakeholders should play their roles in urban renewal. Some suggested that URA should take forward projects independently without cooperating with developers whilst some said that URA was not adequately equipped to implement the other 3Rs besides redevelopment.
- Some suggested a strengthened role of the Hong Kong Housing Society (HKHS) in rehabilitation of buildings, better co-ordination and re-alignment of the urban renewal efforts of URA, HKHS and Buildings Department, and improved collaboration with Hong Kong Housing Authority in rehousing.
- There were also requests for facilitating the role of the private sector in urban redevelopment (e.g. simplifying the requirements for compulsory sale, speeding up the relevant approval procedures, providing concessions in taxation or land premium, or transfer of development rights).
- There were suggestions to encourage residents to undertake redevelopment by themselves, with assistance from non-government organizations, developers and URA in the form of financial and technical support. Also, there were calls to strengthen the role of owners, such as through owners' participation in redevelopment projects; compulsory maintenance, management and insurance; and compulsory preservation with Government assistance.
- The Government was also urged to increase investment in public infrastructure (e.g. escalators in Mid-Levels) to encourage organic urban regeneration by the private sector.

(d) Compensation, Rehousing and Resumption

- There were suggestions to offer owners and tenants more options of compensation and rehousing, like “shop for shop” and “flat for flat”,

rehousing in the same district and relaxing the criteria for rehousing into public housing. Some suggested providing compensation and re-housing before approval of the statutory plans or development projects.

- As regards the prevailing compensation policy, there were conflicting views on whether the compensation was too generous or insufficient. Some also queried the justification for allowing URA to apply for resumption of land required for urban renewal.

(e) Public Engagement

- There were requests for engaging the affected owners and tenants and the general public in identifying target areas for the implementation of the 4Rs under a district based approach.
- Whilst there were calls for public engagement throughout the policy-making, planning, design and implementation processes, community education on urban renewal, and the establishment of community alliance to monitor urban renewal projects, there were also concerns that the public engagement process might slow down the pace of urban renewal.

(f) Social Impact

- Some suggested expanding the scope of social impact assessments to look at both social benefits and social costs; cover areas outside the project boundaries; integrate the assessments with the public engagement process; and conduct assessments both before and after the redevelopment.
- There were concerns about the current arrangement whereby URA commissioned non-government organizations to set up social service teams for individual projects, as the teams would be accountable to the affected owners and tenants, as well as to the URA. Some suggested establishing an independent mechanism to appoint social service teams.

(g) Financial Arrangement

- There have been mixed views on the current self-financing model of the URA. Some considered that this would mean that URA has to raise the development density of its redevelopment projects and will

be reluctant to improve its compensation and re-housing arrangements. Some considered that URA should be listed in the stock exchange to raise fund and that other organizations should be invited to share the burden of implementing those non-profitable urban regeneration initiatives.

- There were different views on URA's role: some suggested the Government to invest more on urban renewal (e.g. link redevelopment sites with new sites, increase resource allocated to URA); others suggested to reduce URA's role in redevelopment and strengthen the role of the private sector.

(h) Urban Renewal Programme

- There were calls to speed up the pace of urban renewal in view of the deteriorating conditions of old urban areas and the limitation of building rehabilitation. They requested early publication of planned urban renewal programmes so that affected residents might plan early (e.g. whether to rehabilitate their buildings).

(i) Others

- There was a suggestion to turn the URS into a statutory regulation.
- Some suggested URA's urban renewal projects should pursue excellence in architectural design.

17. The views already received, together with further feedback to be received during the remaining period of the Envisioning Stage, will be distilled into a list of issues which will be presented to the wider public for thorough discussions at subsequent stages of the review.

CONTINUOUS ENGAGEMENT WITH THE LEGISLATIVE COUNCIL

18. Members' views are welcomed. We shall continue to engage Members throughout the review process and shall report progress to and receive feedback from Members from time to time. We aim to report to the Panel on the progress of the Review again in a few months' time.

**Development Bureau
January 2009**

**Study on Urban Renewal Policies for the Urban Renewal Strategy Review
Progress Report by the HKU Research Team
(As of December 31, 2008)**

Study visits

1. Study visits to six selected cities were conducted from 12 October to 14 November 2008. Taipei (12-17 October), Seoul (14-18 October) Singapore (29-31 October), Guangzhou (6-7 November), Tokyo (9-12 November), and Shanghai (12-14 November) were visited respectively.
2. Over 50 informants were being identified and interviewed from cities being visited. Most of these informants were from government departments, public bodies, tertiary institutes and non-government organizations (NGOs) with relation to land policy, urban renewal and preservation matters and the rest were residents and shop owners being affected in the redevelopment process in projects studied.
3. With the assistance of local government departments and NGOs, at least one urban redevelopment project and one preservation project were identified and visited in each selected city. Among the 24 projects being visited, 13 were redevelopment projects and 11 were preservation projects.
4. In fact, for some of the redevelopment projects that the research team had visited, elements of rehabilitation, revitalization and preservation would also be included.
5. As mentioned earlier, the study visits would include both redevelopment projects and preservations projects. But, in the case of Singapore, the major focus of visit was on preservation, as redevelopment in the private sector in Singapore is rather limited and mostly related to redevelopment of industrial or commercial sites. The redevelopment of public housing which accounts for 85% of the housing in Singapore was not quite relevant to the focus of the present study. The relevant issues of redevelopment of residential sites in the private sector were only emerging recently due to the “aging” of strata-title developments in the 1970s’.
6. In each of the city that the Research Team had visited and the projects that had selected as case studies, the following issues had been examined:

Institutional framework

- Institutional arrangements in formulating and implementing urban renewal policies.
- Statutory and executive power of implementation agencies and its composition of the board and public accountability.
- Land law and administration related to land ownership/tenure in the context of planning and development, the policy approach and powers to enable property acquisition or resumption.
- Compensation and re-housing policies.

Models/Approaches in Urban Renewal

- Financial model of urban renewal, financial arrangement of implementation agencies, and other financial instruments (e.g. tax relief or tax incentives).
- Relative emphasis on different types of urban renewal (i.e. redevelopment, rehabilitation, revitalization and preservation).
- Role of the public sector (planner/facilitator/developer/etc.), business sector, NGOs, and the affected bodies.
- Approaches used in different types of urban renewal including initiation of project, community participation, and financing.
- Approaches used in various types of urban renewal (e.g. voluntary/statutory).
- The use of Social Impact Assessment.
- Methods used to deal with development potentials or development rights in cases of preservation.

Community engagement

- Community engagement processes (statutory/non-statutory).
- Community involvement in shaping the content, mode, land use, conservation, development intensity and scale of urban renewal projects.

Urban Renewal Seminar

7. The Research Team had assisted in the invitation of overseas speakers and the organization of a seminar on “Models and Challenges of Urban Renewal – Sharing of Asian Experience” by the Urban Renewal Authority on 15 December 2008. Owing to all the invited speakers from Tokyo and Singapore were not able to join the seminar, members of the research team Dr. Ernest Chui and Dr. C.K. Law had also helped to present some of their findings related to Tokyo and Singapore in the seminar.

8. Dr. C.K. Law on behalf of the Research Team had also presented its initial thoughts on the lessons learnt from the other Asian cities in the seminar.

Study Report

9. The Research team had developed working draft for chapters on the overseas city study report and had been improving and enriching the content of these working drafts. Basing on the presentations made by various invited speakers from Seoul, Taipei, Shanghai, and Guangzhou, and the discussions in the seminar, the Research Team was working on improving its draft chapters further. The expected completion date of the report is end January, 2009.
10. After discussing with the Development Bureau and the URA, the Research Team has agreed to work on a paper related to the urban regeneration of the South Bank of London, United Kingdom. Dr. C.K. Law had visited London during December 10-12th, 2008, after performing his other academic duties in United Kingdom, to meet with some of the academics and stakeholders, including employers groups, community groups, the relevant members of parliament, and some of the residents.



*Consultancy Services for the
Public Engagement
For the Urban Renewal Strategy Review (“URS Review”)*

Progress Report

A-World Consulting Ltd. (“AWC”)

31 December 2008

1 INTRODUCTION

- 1.1 Further to the Inception Report and Progress Report 1 submitted and uploaded to the URS Review website, this Progress Report provides an update on various related development and programmes up to 31 December 2008.
- 1.2 Progress update will continue to be reported as per the Inception Report format, i.e. activities are categorized into 2 parts: (a) those that are specified in the tendering document (to be referred to as “standard programmes”), and (b) a number of innovative and value-added programmes proposed by AWC (to be referred to as “innovative programmes”).

2 STANDARD PROGRAMMES

2.1 Focus group discussion

2.1.1 As agreed with Development Bureau (“DEVB”) and Urban Renewal Authority (“URA”), the total planned number of focus group discussion sessions (FG) of the Envisioning Stage increased to 20, with 18 conducted to date. Those invited/to be invited include academic and professional groups, advocacy groups, businesses, affected groups, political groups, the general public, statutory and advisory groups as well as public bodies.

2.1.2 The 18 FGs held involved:

- ◆ Academics and professional groups (Science & Works) – architects, planners, engineers, surveyors, etc.
- ◆ Academics and professional groups (Arts & Humanity) – social workers, arts and culture representatives, historians, etc.
- ◆ Advocacy groups – policy ‘think tanks’, green groups, conservation groups
- ◆ Advocacy groups – community groups (2 sessions)
- ◆ Advocacy groups – English session
- ◆ Business groups – developers, Hong Kong General Chamber of Commerce
- ◆ Affected groups – owners and tenants / concern groups (2 sessions)
- ◆ Political groups – District Councils (2 sessions)
- ◆ General public / concern groups
- ◆ URA District Advisory Committees
- ◆ Business groups – retailers, hawkers, transport operators etc.
- ◆ Professional bodies and organizations relevant to the issue of urban renewal including the Hong Kong Institute of Architects, Hong Kong Housing Authority, Hong Kong Housing Society, and Land & Building Advisory Committee.

2.1.3 The average number of participants for the 18 sessions is 16 (including observers). Members of the Steering Committee on Review of the Urban Renewal Strategy (“SC”) and representatives from DEVB, URA and the Policy Study Consultant were also present at these sessions hosted by AWC. The number of participants by invitation / registration ranges from 3 to 22. Besides, there were also other participants who dropped by, (as many as 10) in the 18

sessions so far.

2.1.4 Except for the first 7 FGs, which were facilitated by media hosts Mr. Peter Lam and Mr. Lee Kam Hung, other FGs were facilitated by the engagement consultant, Mrs. Sandra Mak, CEO of AWC, with help from Professor Joseph Chan, and Mr. Yuen Kin-kwok, a senior member of the AWC team who is also a former political news editor. Professor Chan and Mr Yuen have helped facilitate one FG each.

2.1.5 The key issues captured during the FGs that are relevant to the URS Review have been summarised in paper on key issues.

2.1.6 The summary notes of focus group discussions are uploaded to the website as soon as they are ready.

2.2 Submission of public opinions

2.2.1 Separately, there have been submissions of public opinions on the URS Review either directly to the authorities or via the URS website. These are fairly similar views as those captured in focus group discussions.

2.3 Announcement of Public Interest ("API")

2.3.1 The first API was launched on 9 December 2008 on TV and radio, and will continue until end January 2009.

2.4 "Models and Challenges of Urban Renewal-Sharing of Asian Experience" Seminar

2.4.1 The captioned seminar was held on 15 Dec. Overseas experts and practitioners were invited to share the experience of six Asian cities, namely Singapore, Tokyo, Seoul, Taipei, Shanghai and Guangzhou, in urban renewal with stakeholders in Hong Kong.

2.4.2 AWC, as the public engagement consultant, has participated to gather views from the public on the issue of URS Review on the occasion. The views expressed on the occasion were in line with either those collected at FG sessions or in public submissions.

2.5 Website revamp

2.5.1 The revamped website was launched on 10 December 2008. The number of eforum entries has trended up generally since the revamp.

2.6 Overseas study visits

2.6.1 In order to broaden the understanding of urban renewal practice in other cities, AWC will coordinate the overseas study visits for invited participants to selected cities.

2.6.2 The Policy Study Consultant has recommended that Tokyo and Shanghai be visited in February and March 2009. DEVB has sent out invitations and AWC will liaise accordingly.

2.7 URS Review road show

2.7.1 The Public Engagement Stage will feature a series of road show exhibitions around the territory on the existing URS and the study findings of the six Asian cities.

2.7.2 Preparation for the road show to be held from April till November 2009 is underway. It will be planned to tie in with the public forums and topical discussions to optimise impact. A video-camera will be installed at the exhibitions to make voicing of views more fun and easy. Over weekends, a coffee corner may also feature in case visitors wish to sit down and provide their views in writing or spend more time to chat. Random survey/interviews would also take place at the road show exhibition.

2.8 Public forums & topical discussions

2.8.1 Public forums, designed to engage members of the public to discuss issues related to the URS review with the aid of an agenda developed from the Envisioning Stage, will be held in the Public Engagement Stage.

2.8.2 Planning and initial preparation in this regard has commenced. These are expected to be held from May to December 2009.

3 **INNOVATIVE PROGRAMMES**

3.1 Partnering organizations

3.1.1 The partnering organizations programme is designed to broaden the reach and to promote active public participation in the URS Review during the Public Engagement Stage. The programme was proposed by AWC and fine-tuned, in line with the SC's recommendation so as to be more inclusive.

3.1.2 The programme was launched in mid-December. To encourage participation, invitation letters were sent to District Councils, professional bodies, tertiary institutes and secondary schools. The programme details were uploaded onto the URS Review website.

3.1.3 Promotion has also been arranged with the Hong Kong Education City whose website carries a link to the URS Review website. A Press Release was issued on 12 Dec 2008 to announce the programme.

3.1.4 Future publicity will be arranged to generate and sustain media/ stakeholder interests.

3.2 Mass media – radio

3.2.1 Arrangements are being finalized to sign up a radio station to broadcast publicity and educational segments (90-second each) and 30-minutes radio programmes in the Second Stage (Public Engagement Stage). The programmes are tentatively slotted in from March to July 2009.

3.3 “Computer game”

3.3.1 We are working to tender for the creation of a game to entice the young generation.

3.4 Idea Shop

3.4.1 A pilot scheme of this novel idea to facilitate more public participation was undertaken with the first Idea Shop to be created in Tai Yuen Street, Wan Chai, which is scheduled to be launched in February.2009

3.4.2 The Idea Shop will serve as a community-based hub for ideas sharing and exchange. The aim is to enhance visibility and provide a longer-term location for the public to participate in the URS Review. The Idea Shop will serve as a venue for partnering organizations to hold events while other organizations may also apply for use subject to its availability.

3.4.3 The opening hours of the Idea Shop are planned to be 11:00am to 9:00pm, Tuesday to Sunday. One full time staff and one part time staff will be employed to oversee the daily operation of the shop.

3.4.4 AWC is formulating the guidelines of usage of the Idea Shop by other interested organizations. An activity planner will be developed to keep all informed of activities to be staged at the venue. The guidelines and information of the scheduled activities will be uploaded to the website for the public’s easy reference.

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