

立法會
Legislative Council

LC Paper No. CB(1)2943/09-10
(These minutes have been seen
by the Administration)

Ref : CB1/PL/DEV/1

Panel on Development

**Minutes of special meeting
held on Saturday, 10 July 2010, at 9:00 am
in the Chamber of the Legislative Council Building**

- Members present** : Hon LAU Wong-fat, GBM, GBS, JP (Chairman)
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon James TO Kun-sun
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon WONG Yung-kan, SBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon LEE Wing-tat
Hon CHEUNG Hok-ming, GBS, JP
Hon KAM Nai-wai, MH
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king, JP
Dr Hon Priscilla LEUNG Mei-fun
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Dr Hon Samson TAM Wai-ho, JP
Hon Alan LEONG Kah-kit, SC
Hon Tanya CHAN
Hon Albert CHAN Wai-yip
- Members absent** : Hon CHAN Kam-lam, SBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon Timothy FOK Tsun-ting, GBS, JP
Hon WONG Kwok-hing, MH

Public officers attending : Agenda item I

Mrs Carrie LAM CHENG Yuet-ngor, JP
Secretary for Development

Mr Thomas CHOW Tat-ming, JP
Permanent Secretary for Development
(Planning and Lands)

Mr Tommy YUEN Man-chung, JP
Deputy Secretary for Development
(Planning and Lands) 2

Ms Winnie SO Chui-ying
Principal Assistant Secretary for Development
(Planning and Lands) 4

Attendance by invitation : Agenda item I

Mr Michael KWOK
Chairman of Environment and Sustainable Development Policy Branch
Civic Party

Mr Chris IP Ngo-tung
Deputy Spokesperson for Development Affairs
Democratic Alliance for the Betterment and Progress of Hong Kong

Mr David TAM
Representative
H19 Owners' and Tenants' Right Concern Group

Ms Katty LAW
Convener
Central & Western Concern Group

Mr CHAN Kai-ming
Research Director
The Professional Commons

Miss CHIK Yuk-chun

Mr NG Yin-keung
Chairman
Development Concern Group

Mr LEUNG Yat-wing
Secretary (Acting Chairman)
The Incorporated Owners of San Loong House of Kwun Tong

Ms WONG Yat-man
President
K7 Owner Union

Ms SIN Fung-yee

Mr YEUNG Kwok-wing

Mr WONG Ho-yin
Member
People Planning in Action

Ms LEE Wai-yi

Mr Edmond CHUI
Member
Wan Chai Street Market Concern Group

Miss TANG On-yi
Member
Shunning Road Support Group

Ms MAK Yuen-yee

Mr HO Kwok-keung
Representative
Shunning Road Redevelopment Concern Group

Ms WONG Sau-ping
Representative
舊區租客大聯盟

Miss CHEUNG Sin-yi

Mr Edwin TOWN Man-hoi
Member
South Tokwawan Concern Group

Mrs Mary TOWN

Ms TSANG Suk-wah

Ms LEUNG Choi-foon

Miss May LEUNG

Ms FOK Lai-ching
Member
H15 Concern Group

Mr CHU Yick-yiu

Mr NG Kam-cheu

Mr Desmond SHAM Hok-man

Mr AU Kwok-kuen
Committee Member
Community Cultural Concern

Mr Paul ZIMMERMAN
Founding Member
Designing Hong Kong Limited

Mr CHEUNG Yan-hong
Kowloon City District Council member

Ms IU Siu-yung

Mr CHAM Kam-shu
Member
K28 Sport Shoes Street Concern Group

Mr WONG King-lai
Member
Concerning Urban Housing Rights Social Work Alliance

Mr LAI Kin-kwok

Mr CHIN Wai-lok
Member
抗議政府強搶民產小組

Ms YIP Mee-yung
Representative
重建聯區居民業主聯會

Mr CHAN Hoi-kin
Representative
九龍城區舊區網絡

Mr Tony TSE
Past President; Chairman of HKIS URSR Working Group
The Hong Kong Institute of Surveyors

Miss CHENG Lai-king
Member
Central and Western District Council

Ms LAW Yuk-hing

Mr LAW Kam-yau
Member
Sham Shui Po District Council

Miss CHAN Pui-ling

Mr Julian FUNG
Spokesman
社區營造計劃

Mr Kenneth YEUNG Kin-wai

Ms Mary MULVIHILL

Mr Edmond DING Charn-lam
President
The Chartered Institute of Building (Hong Kong)

Mr Frankie SO
Past President
The Hong Kong Institute of Facility Management

Mr IO Ching-po

Ms Cora YUEN Chui-yi
Secretary
The Hong Kong Institute of Housing

Mr LO Siu-kit
Member
Tsuen Wan District Council

Ms LING Fung-har
Committee Member
Community Alliance for Urban Planning

Mr Andrew YU Siu-yeung
Council Member
Hong Kong Institute of Real Estate Administrators

Miss Patsy CHENG
Director
SEE Network Limited

Mr HO Chi-chung

Ms KWONG Shun-ye
Representative
v-artist

Mr Franklin YU
Chairman, Planning and Lands Committee
The Hong Kong Institute of Architects

Mr Nicholas CHAN Hok-fung

Miss LI Hoi-shan

Miss WONG In-wei

Mr HO Yao-sheng

Mr TSANG Chiu-wai

Ms LEUNG Fu-wing
Member
Kwun Tong District Council

Mr YUEN Chi-yan
Representative
活在觀塘

Miss WONG Wing-chi
Community Organizer
Community Development Alliance

Mr FUNG Sing-sang

Mr KWOK Gong-lut
Fellow member
Hong Kong Institute of Land Administration

Mr LAU Wai-chung
Committee Member
香港基層勞工陣線

Clerk in attendance : Mr WONG Siu-yee
Chief Council Secretary (1)4

Staff in attendance : Mr Daniel SIN
Senior Council Secretary (1)5

Mr Simon CHEUNG
Council Secretary (1)7

Ms Christina SHIU
Legislative Assistant (1)7

Action

- I Review of the Urban Renewal Strategy -- Stage 3 Public Engagement**
(LC Paper No. CB(1)1919/09-10(07) -- Administration's paper on Review of the Urban Renewal Strategy – Stage 3 Public Engagement
LC Paper No. CB(1)1919/09-10(08) -- Paper on review of the Urban Renewal Strategy prepared by the Legislative Council Secretariat (Updated background brief))

Submissions from organizations/individuals not attending the meeting

- (LC Paper No. CB(1)2441/09-10(16) -- Submission from Mr CHEUNG Yiu-tong dated 7 July 2010

- LC Paper No. CB(1)2441/09-10(18) -- Submission from a member of the public dated 1 June 2010
- LC Paper No. CB(1)2441/09-10(19) -- Submission from Mr YEUNG Wai-sing, Eastern District Council member, dated 8 June 2010
- LC Paper No. CB(1)2441/09-10(20) -- Submission from Dr YANG Mo, Southern District Council member, dated 11 June 2010
- LC Paper No. CB(1)2441/09-10(21) -- Submission from Mr PUN Chi-man, Kowloon City District Council member, dated 25 June 2010
- LC Paper No. CB(1)2441/09-10(23) -- Submission from Royal Institution of Chartered Surveyors (Hong Kong) dated 29 June 2010
- LC Paper No. CB(1)2441/09-10(24) -- Submission from The Real Estate Developers Association of Hong Kong dated June 2010
- LC Paper No. CB(1)2441/09-10(25) -- Submission from The Hong Kong Institute of Planners received on 30 June 2010
- LC Paper No. CB(1)2501/09-10(03) -- Submission from a member of the public (凌鳳霞女士)

Members noted the following submissions tabled at the meeting --

- (a) Submission from Ms CHIK Yuk-chun dated 9 July 2010;
- (b) Joint submission from People Planning in Action and Local Research Community;
- (c) Submission from 舊區租客大聯盟; and
- (d) Submission from Mr CHEUNG Yan-hong, Kowloon City District Council member dated 10 July 2010.

(Post-meeting note: The soft copies of the submissions (LC Papers No. CB(1)2529/09-10(01) to (04)) were issued by email on 12 July 2010.)

Presentation by deputations

Session 1

2. The Chairman welcomed the deputations and invited them to present their views.

Civic Party

3. Mr Michael KWOK, Chairman of the Environment and Sustainable Development Policy Branch, Civic Party, said that the Administration had failed to adopt a people-oriented and bottom-up approach in reviewing the Urban Renewal Strategy (URS). There was a need to enhance community participation in the review. The Urban Renewal Authority (URA) should play a facilitator role in providing support to owners, who should be encouraged to initiate redevelopment on their own. Meanwhile, efforts should be made to avoid turning URA projects into high-end residential developments, because this would expel residents from a familiar environment and create social conflicts. A platform with genuine community participation, comprising elected District Councillors and local representatives, should be set up to help steer the direction of urban renewal at the district level.

Democratic Alliance for the Betterment and Progress of Hong Kong

4. Mr Chris IP, Deputy Spokesperson for Development Affairs, Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), said that DAB supported the Administration's proposals, and agreed that URA should play a more active role in facilitating urban renewal. With the lowering of the application threshold for compulsory land sale for redevelopment, owners having gathered a sufficient percentage of the titles, say 80%, should be allowed to approach URA for assistance to collaborate with developers in implementing redevelopment projects. Meanwhile, DAB was worried that the Mandatory Building Inspection Scheme and the Mandatory Window Inspection Scheme might bring hardship to owners because tender rigging by some contractors would substantially increase repair costs. The Administration should address the issue.

H19 Owners' and Tenants' Right Concern Group

5. Mr David TAM, Representative, H19 Owners' and Tenants' Right Concern Group, opined that the Administration used the URS review as a means to rationalise URA's unreasonable measures, such as calculating the compensation based on the value of a notional seven-year-old replacement flat. Although having a huge surplus of \$6.9 billion, URA suppressed the level of compensation for owners and assisted developers in lifting property prices.

Central & Western Concern Group

6. Viewing urban renewal from a macro perspective, Ms Katty LAW, Convener, Central & Western Concern Group, said that urban renewal had become a means of facilitating the transfer of wealth from small owners to major developers. URA denied affected residents a fair share of the economic benefits arising from redevelopment, and yet forced them to leave a familiar district. With more and more high-rise buildings causing the wall effect, she was worried that URA's projects would worsen the local environment. She urged URA to provide more reasonable compensation for owners and shop operators by offering flat-for-flat and shop-for-shop compensation.

The Professional Commons
(LC Paper No. CB(1)2501/09-10(01))

7. With the aid of a PowerPoint presentation, Mr CHAN Kai-ming, Research Director, Professional Commons, delivered his views, the details of which were given in the submission and presentation materials. He added that in the formulation of the revised URS, the private sector's involvement in urban renewal should be given due attention. The Administration should aim at a sustainable development of both the environment and the community. As regards Operation Building Bright, the Administration should accord higher priority to old buildings with no owners' corporations. Furthermore, URA should give up its profit-oriented approach in urban renewal.

(Post-meeting note: The soft copy of the presentation materials (LC Paper No. CB(1)2536/09-10(01) was issued on 12 July 2010 by email.)

Miss CHIK Yuk-chun
(LC Paper No. CB(1)2529/09-10(01), tabled and soft copy issued by email on 12 July 2010)

8. Miss CHIK Yuk-chun delivered her presentation, the details of which were given in her submission. She criticised the existing urban renewal policy as relentless, unrighteous, unreasonable and irresponsible. The value of a notional seven-year-old replacement flat was used as the basis for calculating cash compensation, and owners were driven away from a familiar community. Shop operators were forced to wind up their businesses, leaving their long-serving employees jobless. At the expense of the affected parties, urban renewal had only benefited URA and the developers.

Development Concern Group
(LC Paper No. CB(1)2441/09-10(01))

9. Mr NG Yin-keung, Chairman, Development Concern Group, delivered his presentation, the details of which were given in the submission. He added that using the value of a notional seven-year-old replacement flat as the basis for calculating cash compensation was unfair because it did not take into account the development potential of the land.

The Incorporated Owners of San Loong House of Kwun Tong
(LC Paper No. CB(1)2441/09-10(02))

10. With the aid of a PowerPoint presentation, Mr LEUNG Yat-wing, Secretary (Acting Chairman), The Incorporated Owners of San Loong House of Kwun Tong, delivered his views, the details of which were given in the submission and presentation materials. He commented that it would be unreasonable to require those owners who accepted flat-for-flat compensation to top up the difference between the cash compensation and the value of the new flat, because the increase in gross floor area of the new development would generate huge profits for URA and the developers.

(Post-meeting note: The soft copy of the presentation materials (LC Paper No. CB(1)2546/09-10(01) was issued on 13 July 2010 by email.)

K7 Owner Union

11. Ms WONG Yat-man, President, K7 Owner Union, expressed disappointment with the URS review because it allowed URA to continue to operate in a way free from control. She considered using the value of a notional seven-year-old replacement flat as the basis for calculating compensation the product of "black box operation" and urged for an immediate review. To allay public concern, it was necessary for URA to publicise all the relevant financial information of its redevelopment projects, in particular those jointly undertaken by URA and developers. She had no confidence in the Administration's public engagement underway.

Ms SIN Fung-yee

12. Ms SIN Fung-yee shared her experience as a shop operator in Sham Shui Po. She said that a compensation of around \$6.5 million provided by URA was only one-third of the offer made by developers for a similar shop. She complained that she had encountered considerable difficulties in identifying another shop to continue her metalware business. For 20 months, she had strived for more compensation but to no avail. She was at present exhausted and down-hearted and did not consider URA trustworthy.

Mr YEUNG Kwok-wing

(LC Papers No. CB(1)2441/09-10(03) and CB(1)2501/09-10(02))

13. Mr YEUNG Kwok-wing delivered his presentation, the details of which were given in his submissions. He added that he was angry and disappointed that the Administration had paid no attention to the difficulties currently faced by rooftop residents affected by URA projects.

People Planning in Action

(LC Paper No. CB(1)2529/09-10(02), tabled and soft copy issued by email on 12 July 2010)

14. Mr WONG Ho-yin, Member, People Planning in Action, delivered his presentation, the details of which were given in the submission. He added that the URS review reflected a continuation of collusion between Government and business in urban renewal, denying the public of the right to enjoy a fair share of the economic benefits. Instead of maximizing profits, URA should strive to preserve community life in each urban renewal project and support the principle of offering flat-for-flat and shop-for-shop compensation. Furthermore, the Administration should step up its efforts in building up a consensus in urban regeneration with the community.

Ms LEE Wai-yi

(LC Paper No. CB(1)2441/09-10(04))

15. Ms LEE Wai-yi delivered her presentation, the details of which were given in the submission. She added that she was disappointed that the Administration had excluded the shop-for-shop compensation option in the URS review. With better planning, she believed that shop operators should be able to resume business in the redeveloped district. Social Impact Assessment should be conducted to ascertain that the quality of life of affected residents would not deteriorate. The Administration should value the function of street shops in maintaining community networks.

Wan Chai Street Market Concern Group

16. Mr Edmond CHUI, Member, Wan Chai Street Market Concern Group, considered it necessary to review the existing performance assessment mechanism for the senior management of URA. He believed that profit maximization should cease to be the performance indicator. Rather, improved quality of life of local residents and shop operators and the ability to retain local residents in the renewed districts should be used as performance benchmarks. Street shops played an important role in maintaining community networks. In rejuvenating old districts, URA should consider the successful experience of Roppongi, Tokyo, in preserving the community.

*Shunning Road Support Group
(LC Paper No. CB(1)2441/09-10(05))*

17. Miss TANG On-yi, Member, Shunning Road Support Group, delivered her presentation, the details of which were given in the submission. She added that URA had treated tenants and shop operators in a highly unfair way, denying them of more favourable compensation packages and driving them out of a familiar community. The Administration should seriously consider the shop-for-shop compensation option.

*Ms MAK Yuen-yee
(LC Paper No. CB(1)2725/09-10(01), received after the meeting and issued on 12 August 2010)*

18. Ms MAK Yuen-yee delivered her presentation, the details of which were given in her submission. She criticised that URA did not practise what it preached and adopted many harsh terms to reduce the amount of compensation. Using the value of a notional seven-year-old replacement flat as the basis for calculating compensation was the product of "black box operation". An independent body should be set up to monitor the operation of URA. Arresting urban decay and improving the living conditions of residents in old districts being its responsibilities, URA should not operate as a tool for developers to construct highly profitable residential blocks for profit-making.

Shunning Road Redevelopment Concern Group

19. Mr HO Kwok-keung, Representative, Shunning Road Redevelopment Concern Group, considered the URS highly problematic, as evidenced by the fact some tenants had been forced to move out of their flats on Shun Ning Road. In order to enhance transparency, the Administration had suggested early promulgation of the locations of redevelopment projects. He was worried that this would only lead to undesirable consequences, giving landlords more time to expel tenants from their homes. Besides, owners would be unwilling to carry out repair and maintenance works if they knew that their properties would be redeveloped.

*舊區租客大聯盟
(LC Paper No. CB(1)2529/09-10(03), tabled and soft copy issued by email on 12 July 2010)*

20. Ms WONG Sau-ping, Representative, 舊區租客大聯盟, delivered her presentation, the details of which were given in the submission. She added that there was inadequate protection for tenants, and suggested that tenants registered at the time of the freezing survey should be rehoused and compensated by the Administration even if they subsequently moved out. To uphold their

independence, the Social Service Teams (SSTs) should be funded through a separate source other than URA.

Miss CHEUNG Sin-yi
(LC Paper No. CB(1)2441/09-10(06))

21. Miss CHEUNG Sin-yi gave her presentation time to Mr LEUNG Yat-wing, Secretary (Acting Chairman), The Incorporated Owners of San Loong House of Kwun Tong. Mr LEUNG said that given the huge profit arising from the increase in gross floor area of new buildings in redeveloped areas, there was no reason why owners opting for flat-for-flat compensation had to top up the difference between the cash compensation and the price of the new flat.

South Tokwawan Concern Group
(LC Paper No. CB(1)2441/09-10(07))

22. Mr Edwin TOWN Man-hoi, Member, South Tokwawan Concern Group, delivered his presentation, the details of which were given in the submission. He added that the Administration should allocate more resources to cope with the problem of ageing buildings, and believed that as a people-oriented body, URA should return the surplus of \$6.7 billion to the community and refrain from deceiving innocent people.

Mrs Mary TOWN

23. Mrs Mary TOWN gave her presentation time to Mr Edwin TOWN Man-hoi, Member, South Tokwawan Concern Group. Mr TOWN said that it was against the rules of a free economy for URA to suppress acquisition offers through its self-formulated mechanism. It was necessary for the Administration and the Legislative Council to monitor the operation of URA to prevent it from operating without any restraints.

Ms TSANG Suk-wah

24. Ms TSANG Suk-wah gave her presentation time to Mr Edwin TOWN Man-hoi, Member, South Tokwawan Concern Group. Mr TOWN said that the existing top-down approach in urban renewal had led to confrontations between the Administration and the residents. To rectify the situation, urban renewal had to be undertaken through a bottom-up approach with active participation of the local community. The Administration should also control the powers of URA.

Ms LEUNG Choi-foon

25. Ms LEUNG Choi-foon hoped that URA could operate in a fair and transparent manner in offering reasonable compensation to affected owners and tenants. There should also be adequate public consultation on the URS review.

Miss May LEUNG

26. Miss May LEUNG did not present any views at the meeting.

H15 Concern Group

(LC Paper No. CB(1)2441/09-10(08))

27. Ms FOK Lai-ching, Member, H15 Concern Group, delivered her presentation, the details of which were given in the submission. She added that since its establishment in 2001, URA had failed to perform its given functions and social responsibilities. She believed that in urban regeneration, the Administration should pursue sustainable development by means of a people-oriented approach. Besides, the general public should be empowered to oversee the operation of URA.

Mr CHU Yick-yiu

28. Mr CHU Yick-yiu expressed concern that the URS review had failed to provide adequate details on the flat-for-flat compensation option. To ensure fairness, URA should use gross floor area rather than saleable area in calculating the compensation for owners.

Mr NG Kam-cheu

29. Mr NG Kam-cheu pointed out the awkward position of tenants in urban redevelopment projects, and said that they had become a tool for URA to reduce the compensation for non-owner-occupiers. He urged the Administration to think of feasible ways to uphold tenants' interests after they had been registered in the freezing surveys of URA projects.

Mr Desmond SHAM Hok-man

(LC Paper No. CB(1)2540/09-10(01), received after the meeting and issued on 13 July 2010)

30. Mr Desmond SHAM Hok-man delivered his presentation, the details of which were given in the submission. He added that he was very disappointed that no URA representatives were present to respond to the questions and views of deputations. He urged the Administration to make public details of its conservation projects, and believed that there was a need to introduce legislation to

protect Hong Kong's historic landmarks. It was also necessary for URA to realign the relative priorities of the 4Rs, and to improve its Social Impact Assessment.

Community Cultural Concern

31. Mr AU Kwok-kuen, Committee Member, Community Cultural Concern, said that to implement urban renewal projects smoothly without causing unnecessary conflicts, the Administration should adopt a district-based and bottom-up approach in urban renewal. Those who should be held responsible for the adverse environmental consequences caused by URA projects should be identified. For all URA projects, priority should be accorded to the well-being of the local residents. URA's role in urban redevelopment should be changed to that of a facilitator.

Designing Hong Kong Limited

(LC Paper No. CB(1)2540/09-10(02), received after the meeting and issued on 13 July 2010)

32. Mr Paul ZIMMERMAN, Founding Member, Designing Hong Kong Limited, delivered his presentation, the details of which were given in the submission. He welcomed a bottom-up approach in urban renewal. Nevertheless, he queried the suggestion of setting up District Urban Renewal Forums (DURFs), and opined that District Councils should be entrusted with the responsibility of advising the Administration on urban renewal at the district level. In all circumstances, land resumption should only be used as a last resort when all other methods had failed. The Administration should provide support and incentives for owners of old buildings to repair and maintain their properties.

Mr CHEUNG Yan-hong, Kowloon City District Council member

(LC Paper No. CB(1)2529/09-10(04), tabled and soft copy issued by email on 12 July 2010)

33. Mr CHEUNG Yan-hong, Kowloon City District Council member, delivered his presentation, the details of which were given in his submission. He added that urban renewal was the only means to improve the living conditions in old districts and eliminate structural hazards of old and dilapidated buildings. He considered it necessary to replace cash compensation based on the value of a notional seven-year-old replacement flat by flat-for-flat compensation. Furthermore, gross floor area rather than saleable area should be used in calculating the compensation. Rental allowance or temporary housing should be provided to owners before they moved into their new flats in the redevelopments.

Ms IU Siu-yung
(LC Paper No. CB(1)2441/09-10(09))

34. Ms IU Siu-yung delivered her presentation, the details of which were given in her submission. She added that the Administration had been manipulating the public consultation. Denying participation of owners, the URS review could hardly lead to a genuine consensus. Urban renewal had become a vehicle fostering collusion between Government and business. Owners were deprived of the compensation they deserved; the businesses of shop operators were stifled, leading to unemployment; and wealth was concentrated in the hands of a few.

K28 Sport Shoes Street Concern Group
(LC Paper No. CB(1)2441/09-10(10))

35. Mr CHAM Kam-shu, Member, K28 Sport Shoes Street Concern Group, delivered his presentation, the details of which were given in the submission. He added that the URS review had failed to respond to residents' repeated requests for flat-for-flat and shop-for-shop compensation within the same district. He believed that street shop owners should be given a reasonable share of the fruits of redeveloping the Sport Shoes Street.

Response by the Administration

36. The Chairman invited the Secretary for Development (SDEV) to respond to the views of the deputations. SDEV said that in order to draw up a blue print for urban renewal, the Administration had adopted an open attitude and involved various sectors in the URS review which lasted two years. A great deal of research work had been done. In-depth public consultation had been carried out through various means, including road shows, public forums and the setting up of an Urban Renewal Idea Shop to gather public views. There would be further public consultation on the draft text of the revised URS late in the year before its promulgation. She explained that as the URS review was undertaken by the Administration, she had not asked representatives from URA to attend this meeting. On URA's surplus, she advised that the \$6.7 billion was merely a snapshot of the financial position of the URA as at the end of the financial year 2009-2010. The main reason for the surplus was that the URA had tendered three sites during the year of considerable scale and attraction. She also reminded the meeting that the URA had in fact booked a deficit of some \$4.5 billion the year before when offers for the Kwun Tong Town Centre project were issued. In other words, the yearly financial position of the URA fluctuated. She shared the commonly held view that the transparency of URA's financial position should be further enhanced and confirmed that the URA would continue to disclose financial information on its completed projects in future.

37. SDEV further said that of the 4Rs, rehabilitation should take precedence in the long run. Nonetheless, given that there were still many dilapidated buildings, redevelopment would also continue to be a major focus in urban renewal in the near future. URA often undertook non-profit-making projects in fulfilling its social responsibilities. In this respect, the Ma Tau Wai Road/Chun Tin Street redevelopment project could serve as a good example. As URA might take up the role of a facilitator, she anticipated that there would be more and more self-initiated redevelopment projects. As regards the Shun Ning Road project, the Administration was aware that some landlords had terminated the tenancies of their tenants after the freezing survey. This was not common because these landlords would not stand to benefit by doing so. The Administration would task the URA to identify measures to address the difficulty faced by tenants in these circumstances.

Discussion

38. Dr Priscilla LEUNG expressed concern about the difficulties faced by shop operators affected by URA projects, such as their financial loss. In response, Mr CHAM Kam-shu, Member, K28 Sport Shoes Street Concern Group, said that the Administration did not have a good understanding of the difficulties of shop operators. Once shop operators moved out of the Sport Shoes Street, they would be set apart from their customers. With the low compensation from URA, it would not be possible for them to buy a comparable shop in the same district or nearby districts. A more preferred option would be for URA to offer shop-for-shop compensation. He urged the Administration to look after the interests of street shop owners, in addition to those of residents living in the upper floors of the buildings concerned.

39. Mr James TO said that he could understand the complexities and difficulties involved in making compensation arrangements in urban renewal. He sought clarification from Mr AU Kwok-kuen, Committee Member, Community Cultural Concern, on Mr AU's views on the adverse consequences of urban redevelopment. Mr AU responded that as most URA projects ended up as high-rise buildings causing the wall effect, local residents would have to bear consequences such as poor air ventilation and a densely-populated environment. In this respect, he hoped that the Administration could consider reducing the height and density of the redevelopment projects so that the negative impacts on the local living environment could be reduced. He understood that in so doing, URA and the developers concerned would have lower investment returns from the redevelopment projects.

40. Ms Cyd HO asked whether the use of a standard rate for acquisition of residential flats in old buildings by URA would be an effective measure to prevent developers from acquiring stakes in old buildings to pave the way for benefitting from redevelopment. In response, Mr HO Kwok-keung, Representative,

Shunning Road Redevelopment Concern Group, said that it was a common practice for developers to buy properties in old buildings. These developers subsequently became major beneficiaries in redevelopment. He believed that such a practice was unavoidable in a free society like Hong Kong.

41. On Mr Edwin TOWN Man-hoi's view that the Legislative Council should monitor the operation of URA, Mr Alan LEONG said that the Legislative Council was monitoring the work of URA in various ways. By way of illustration, it was in response to a motion moved by himself in May 2006 that the Administration agreed to carry out the URS review. Furthermore, there were four Legislative Council Members sitting on the URA Board to render advice to URA. In response to an enquiry from Mr Alan LEONG on the development potential of urban redevelopment projects, Mr LEUNG Yat-wing, Secretary (Acting Chairman), The Incorporated Owners of San Loong House of Kwun Tong, said that the floor areas for seven urban redevelopment projects in various districts in Hong Kong had increased by 2.04 to 5.05 times, leading to huge benefits for URA and the developers concerned.

42. Mr Albert CHAN opined that a major weakness of urban renewal in Hong Kong was the failure of the Administration to involve both the owners and local residents in URA's decision-making process. Instead, they were exploited by URA and developers. He strongly supported adopting the flat-for-flat and shop-for-shop compensation options to ease conflicts and to allow affected residents and shop operators to move back after redevelopment. In response to Mr Albert CHAN's enquiry, some deputations showed hands in support of flat-for-flat compensation. Mr CHAN urged the Administration to pay due attention to the views and suggestions of the deputations, because it was a right for affected residents to continue living in their original district.

43. Mrs Regina IP sought clarification on the suggestion of changing the role of URA to that of a facilitator, and queried whether such a move would provide adequate incentives for developers, who might only be interested in profit-making, to participate in urban redevelopment. In response, SDEV advised that under the existing model, whether it was undertaking projects jointly with developers or on its own, URA was acting as an implementer who had to take the projects forward through all the necessary steps. Under the proposed facilitator model, it would be for the owners concerned to embark on a self-initiated redevelopment project by inviting URA to act as a consultant. No public funds would be used, no resumption powers would be invoked and the projects would be left to the market, depending on whether the owners wished to auction the site for redevelopment or partner with a developer.

44. Mr Abraham SHEK said that the involvement of a developer in URA projects only began after it had successfully bid for the land acquired by URA from

the owners. It should be noted that for urban redevelopment, developers were not involved in the planning and acquisition processes.

45. The Chairman thanked deputations for their views and concluded session 1 of the meeting.

Session 2

46. The Chairman welcomed the deputations and invited them to present their views.

Concerning Urban Housing Rights Social Workers Alliance (LC Paper No. CB(1)2441/09-10(11))

47. Mr WONG King-lai, Member, Concerning Urban Housing Rights Social Workers Alliance, delivered his presentation, the details of which were given in the submission. He added that since the social workers of SSTs were funded by URA, it would be difficult for them to win the trust of the affected residents who would cast doubt on their independence. Furthermore, the suggestion of leaving rights advocacy to the institutions to which SSTs belonged was unrealistic. To ease the concerns of both the residents and social workers, there should be a separate funding mechanism for SSTs.

Mr LAI Kin-kwok (LC Paper No. CB(1)2540/09-10(03), received after the meeting and issued on 13 July 2010)

48. Mr LAI Kin-kwok delivered his presentation, the details of which were given in his submission. He was concerned about the role of the proposed DURFs, fearing that URA might use DURFs as a means to shield itself from protests and oppositions in future. He also expressed doubts on the suggestion of leaving rights advocacy and case handling to the institutions to which the SSTs belonged and the social workers respectively, because the two functions could not be separated. In his opinion, there should be separate funding for SSTs to operate in supporting affected residents.

抗議政府強搶民產小組

49. Mr CHIN Wai-lok, Member, 抗議政府強搶民產小組, criticised that measures like lowering of the application threshold for compulsory land sale for redevelopment demonstrated that the Administration was using urban renewal as a means to rob poor people of their assets and properties. He also said that high-rise buildings in URA's redevelopment projects were creating a wall effect, adversely affecting the living environment of the local residents.

重建聯區居民業主聯會

50. Ms YIP Mee-yung, Representative, 重建聯區居民業主聯會, said that she was disappointed with the URS review. Notwithstanding repeated appeals, the Administration had failed to respond to the aspirations of owners. She opined that there should be flat-for-flat and shop-for-shop compensation based on the same area of the original flat. Given that URA was exempted from paying land premium and could increase the gross floor area in redevelopment projects, she did not find it justified to require owners to top up the difference between the cash compensation and the price of the new flat. Arrangements should be made for residents to move back to the original district after redevelopment. Furthermore, not less than 70% of the street shops in the redevelopment should be made available for purchase in the market. SSTs should be allowed to operate in a truly independent manner free from the influence and control of URA.

九龍城區舊區網絡

(LC Paper No. CB(1)2441/09-10(12))

51. Mr CHAN Hoi-kin, Representative, 九龍城區舊區網絡, delivered his presentation, the details of which were given in the submission. He added that DURFs should comprise affected residents and operate in an independent manner. Gross floor area rather than saleable area should be used in calculating the compensation for owners. Instead of 60 days, owners should be allowed to respond to URA's acquisition offers in 90 days. For owners accepting flat-for-flat compensation, either temporary accommodation or a rental allowance should be provided during the redevelopment period. There should be a mechanism to oversee the financial operation of URA, and surplus arising from its urban redevelopment projects should be returned to Government's coffers.

The Hong Kong Institute of Surveyors

(LC Paper No. CB(1)2441/09-10(13))

52. Mr Tony TSE, Past President, The Hong Kong Institute of Surveyors (HKIS), delivered his presentation, the details of which were given in the submission. He added that HKIS supported a bottom-up approach in urban renewal and the flat-for-flat compensation option. The Administration should be transparent with its criteria in prioritising areas for redevelopment. For those aggrieved with the set priorities and compensation, there should be an appeal mechanism for them to seek review of their cases. Owners of long-standing shops should be provided with assistance in identifying alternative shops either within the same district or in other districts so that they could continue their operation. In calculating the compensation for shop owners, the history and the fame of the shops should be taking into account. In assessing urban renewal projects, the Administration should consider the benefits for the community as a whole.

Central & Western District Council

53. Miss CHENG Lai-king, Member, Central & Western District Council, commented that there had been little control over the work of URA. At the expense of the owners, nearly all urban redevelopment projects in Central & Western District ended up as a means for developers to profiteer. The public's attitude towards urban renewal had changed over the years. More and more residents preferred preserving local characteristics and townscape to redeveloping their districts. As such, a bottom-up approach should be adopted in urban renewal, involving as many affected residents as possible. Besides, more community facilities and open space should be provided in old districts through urban renewal.

Ms LAW Yuk-hing

54. Ms LAW Yuk-hing urged the Administration to adopt the shop-for-shop compensation option for shop owners operating at upper floors of buildings to be redeveloped, so that they could continue their business within the same district. She criticised URA for adopting different standards in offering compensation to shop owners operating at upper floors in that owners of chain stores were offered far more generous compensation.

Sham Shui Po District Council

55. Mr LAW Kam-yau, Member, Sham Shui Po District Council, said that Sham Shui Po District Council supported in principle carrying out urban renewal in old districts like Sham Shui Po. He was however concerned about the criteria used by URA and developers in setting the prices of the residential units in redevelopment projects, and hoped that urban redevelopment projects would not only provide an opportunity for URA and developers to profiteer.

Miss CHAN Pui-ling

56. Miss CHAN Pui-ling expressed concern that contrary to the Administration's promotion of a people-oriented approach in urban renewal, many residents were driven out of their homes in old districts due to redevelopment projects. The refusal to offer shop-for-shop compensation demonstrated the lack of sincerity on the part of the Administration. She queried the Administration's decision of not offering shop-for-shop compensation and believed that the option was feasible. The Administration should respond to the strong aspirations of shop owners to continue their operation in the original district.

社區營造計劃

(LC Paper No. CB(1)2441/09-10(14))

57. Mr Julian FUNG, Spokesman, 社區營造計劃, delivered his presentation, the details of which were given in the submission. He believed that redevelopment was not the only way in urban regeneration, and queried why URA could not offer flat-for-flat and shop-for-shop compensation within the same district. He criticised that the Administration had failed to strike a balance between development and preservation, and had chosen to damage the livelihood of grassroots, district characteristics and community networks. All these ran contrary to the Administration's claim of taking forward urban renewal in a holistic and people-oriented manner. He was disappointed that URA was operating like a developer, and urged the Administration to offer more compensation options and bring a halt to the various proposals put forward in the URS review.

Mr Kenneth YEUNG Kin-wai

58. Mr Kenneth YEUNG Kin-wai criticised that the proposed DURFs would not be able to promote urban regeneration in a truly people-oriented, bottom-up and holistic way. He queried why the chairman of a DURF had to be appointed by the Administration, and why resident representatives should be left out. He stressed the importance of adopting a genuine bottom-up approach involving the local community in all urban regeneration initiatives.

Ms Mary MULVIHILL

(LC Paper No. CB(1)2540/09-10(04), received after the meeting and issued on 13 July 2010)

59. Ms Mary MULVIHILL delivered her presentation, the details of which were given in the submission. She added that the URS review had failed to resolve the differences among various sectors. She objected to the inclusion of District Councillors in the proposed DURFs. As regards urban renewal forums held in the public engagement, she found it disappointing that Legislative Council Members and District Councillors seldom attended those forums.

The Chartered Institute of Building (Hong Kong)

60. Mr Edmond DING Charn-lam, President, the Chartered Institute of Building (Hong Kong), said that the Institute supported the use of a people-oriented and bottom-up approach in urban renewal. He urged the Administration to consider promoting reverse mortgage amongst elderly owners. He also suggested that URA and the Hong Kong Housing Society should collaborate to provide affordable housing units for affected residents.

The Hong Kong Institute of Facility Management

61. Mr Frankie SO, Past President, The Hong Kong Institute of Facility Management, said that the Institute supported the URS review which proposed a bottom-up and people-oriented approach in urban renewal. He opined that the Administration should pay more attention to structural rather than aesthetic aspects of the buildings in redevelopment projects. For some old districts, efforts should be made to preserve the local historic and economic characteristics. Meanwhile, to relieve conflicts between owners and URA, the Administration should consider allowing affected owners to have a reasonable share of the profits of URA projects.

Mr IO Ching-po
(LC Paper No. CB(1)2441/09-10(15))

62. Mr IO Ching-Po delivered his presentation, the details of which were given in the submission. He added that the Administration should think of feasible ways to provide rehousing for affected tenants within the same district, given that quite some of them could be forced to leave their homes by landlords after the freezing survey.

The Hong Kong Institute of Housing

63. Ms Cora YUEN Chui-yi, Secretary, The Hong Kong Institute of Housing, opined that the Administration should provide one-stop service for owners involved in revitalisation projects. There should be detailed planning and enhanced support to facilitate the revitalisation of industrial buildings for commercial uses. The Institute believed that the Administration should consider appointing professional agents to represent owners in urban renewal projects. To ease the financial difficulties of elderly owners, the Administration should promote reserve mortgage. As regards flat-for-flat and shop-for-shop compensation, there should be a commonly-accepted method for measuring the floor areas of affected flats. Besides, there should be owner participation in the proposed DURFs. Regular building repair and maintenance by owners should also be stepped up.

Tsuen Wan District Council

64. Mr LO Siu-kit, Member, Tsuen Wan District Council, welcomed that the Administration would consider offering flat-for-flat compensation as an option for affected owners. He considered that more favourable compensation should be provided for elderly non-owner-occupiers who counted on the rentals of their flats to maintain their livelihood.

Community Alliance for Urban Planning

65. Ms LING Fung-har, Committee Member, Community Alliance for Urban Planning, disagreed that owners opting for flat-for-flat compensation had to pay for the difference between the cash compensation and the price of the new flat. She criticised that the cash compensation package included unfair measures, such as differential treatments for owner-occupiers and non-owner-occupiers.

Hong Kong Institute of Real Estate Administrators

66. Mr Andrew YU Siu-yeung, Council Member, Hong Kong Institute of Real Estate Administrators, said that the Institute supported a people-oriented and bottom-up approach in urban renewal and the setting up of DURFs. It was necessary for the URS review to be completed within the given time frame. Higher priority should be accorded to rehabilitation of old buildings, and redevelopment should only be carried out when all methods to repair and maintain the buildings had failed. He said that the Institute did not support the proposed facilitator role of URA in urban redevelopment projects, because such work should be left to the professionals in the market. As a refinement of the flat-for-flat compensation option, consideration should be given to adopting a system similar to the exchange entitlement system.

SEE Network Ltd.

67. Miss Patsy CHENG, Director, SEE Network Limited, considered that in implementing urban regeneration, the Administration should be prudent in handling private property ownership so that owners' rights and freedom to dispose of their properties would not be jeopardised.

Mr HO Chi-chung

68. Mr HO Chi-chung criticised that the Administration's public consultation on the URS review in the past two years lacked transparency. He considered the various proposals put forward in the URS review sugar-coated poison. He was of the view that the current public engagement exercise was not genuine consultation because the Administration had no intention to really listen to public views.

The Hong Kong Institute of Architects

69. Mr Franklin YU, Chairman, Planning and Lands Committee, The Hong Kong Institute of Architects, hoped that in carrying out urban regeneration, the Administration would abide by a people-oriented and bottom-up approach. He believed that the setting up of DURFs would greatly facilitate bottom-up public engagement. Due to limited resources, an effective mechanism should be put in place for prioritising urban redevelopment projects.

Mr Nicholas CHAN Hok-fung

70. Mr Nicholas CHAN Hok-fung urged for a review of the functions and membership composition of the proposed DURFs so that they would become decision-making bodies in urban renewal with participation of local residents. URA should in turn become the body responsible for executing the decisions of the DURFs.

Miss LI Hoi-shan

71. Miss LI Hoi-shan did not present any views at the meeting.

Miss WONG In-nei

72. Miss WONG In-nei did not present any views at the meeting.

Mr HO Yao-sheng

73. Mr HO Yao-sheung said that the Administration's decision not to demolish some buildings on Wing Lee Street for redevelopment had disappointed and confused both tenants and owners thereat because many of them had been waiting for redevelopment for years. There was a lack of co-ordination in the grading of historic buildings, and a detailed plan on how to maintain old buildings on Wing Lee Street which were not yet acquired by URA was unavailable.

Mr TSANG Chiu-wai

74. Mr TSANG Chiu-wai considered that the work of URA was a process of transferring the wealth of the poor to the rich. He criticised URA for not genuinely adhering to the people-oriented and bottom-up approach in urban renewal. He urged URA to improve its work on Social Impact Assessment.

Kwun Tong District Council

75. Ms LEUNG Fu-wing, Member, Kwun Tong District Council, opined that to realise a bottom-up and people-oriented approach in urban renewal, URA should not reap local residents of their benefits. The owners and the general public should be the ones to benefit most from of the fruits of urban redevelopment. Given the increasing number of aging buildings in various districts, the Administration should think of territory-wide and people-oriented measures to cope with urban decay. Furthermore, in implementing Operation Building Bright, the Administration should seriously look into the structural safety problems caused by unlawful sub-division of residential flats.

活在觀塘

76. Mr YUEN Chi-yan, Representative, 活在觀塘, opined that as in the case of some Mainland cities, the Administration should make provisions for affected residents to move back after the completion of the urban redevelopment projects by offering them flats at a discounted price. Citing Temple Street as an example, he urged the Administration not to embark on redevelopment that would affect local cultural characteristics. Instead of focusing on developers and owners, the Administration should extend its consultation on urban redevelopment to all relevant parties including artist groups.

Community Development Alliance

77. Miss WONG Wing-chi, Community Organizer, Community Development Alliance, said that she was disappointed that the proposed DURFs would have no resident representatives as members. She noted with concern that the URS review had made no mention of the difficulties of shop operators. She considered that there was still room to improve on Social Impact Assessment, and that SSTs should be allowed to operate in a truly independent manner.

Mr FUNG Sing-sang

78. Mr FUNG Sing-sang opined that in pursuing the flat-for-flat compensation option, the Administration should take into account the benefits that URA and the developers concerned would gain from new flats in the redevelopments, which had far larger gross floor areas. Furthermore, the Administration should consider the shop-for-shop compensation option more seriously.

*Hong Kong Institute of Land Administration
(LC Paper No. CB(1)2441/09-10(17))*

79. Mr KWOK Gong-lut, Fellow Member, Hong Kong Institute of Land Administration, delivered his presentation, the details of which were given in the submission. He added that greater flexibility should be incorporated in the operation of DURFs. Interactive websites, for instance, should be set up to provide a channel for facilitating bottom-up consultation.

香港基層勞工陣線

80. Mr LAU Wai-chung, Committee Member, 香港基層勞工陣線, queried whether it was possible to have genuine bottom-up consultation if there were no representatives of the owners and tenants in the proposed DURFs. He expressed concern about the various deductions from the compensation that owners would receive, and considered such deductions a tactic used by URA to reduce the cost of acquiring properties from owners. He emphasized that the

Administration's public consultation was not genuine consultation and the consensus that the Administration claimed to have achieved was not genuine consensus either.

v-artist

81. With the aid of a video, Ms KWONG Shun-yee, Representative, v-artist, demonstrated how urban redevelopment could affect the warm and caring interactions of people in a closely-knit community.

Discussion

82. Members agreed that the meeting should be extended to allow sufficient time for discussion.

83. Mr James TO noticed that some developers had begun to openly acquire residential flats from owners in old districts after the launch of the URS review. With the lowering of the application threshold for compulsory land sale for redevelopment, he was concerned about whether there were any districts deserving special attention from members and the Administration.

84. Dr Priscilla LEUNG said that the proposal put forward by HKIS of setting up an appeal mechanism for residents affected by urban renewal projects warranted an in-depth study. She noticed that due to an abrupt rise in property prices in recent months, some affected owners in To Kwa Wan found it difficult to use their compensation to buy a comparable unit. She also learnt from Mr CHAM Kam-shu, Member, K28 Sport Shoes Street Concern Group, that despite the compensation from URA, he was unable to pass on his family business to the younger generation because of the difficulties in finding an affordable street shop. Dr LEUNG urged the Administration to address these issues in implementing urban renewal.

85. Mr Abraham SHEK said that the main issues in urban renewal were compensation and rehousing arrangements. To minimise conflicts, he believed that the best way out was to offer flat-for-flat compensation according to the size of the flats. On the work of SSTs, he said that the social workers' primary clients should be the affected residents. The source of funding should have no impact on their services because they were professionals.

86. Miss Tanya CHAN opined that SSTs were playing an important role in urban renewal, and she considered it necessary to listen to frontline social workers on the difficulties they were facing.

87. Mr Albert HO attributed the existing conflicts between affected residents and URA to the failure of the Administration in exercising its statutory powers properly. To reduce conflicts in future, the Administration should revisit the

membership of the proposed DURFs with a view to bringing in voices of the owners and shop operators. It was also necessary to tackle the various compensation issues to address the impression of the public that the Administration and the business sector were colluding to rob owners of their assets.

88. Responding to members, Mr LAI Kin-kwok pointed out that SSTs were short of adequate resources to cope with the existing workload. On the independence of SSTs, his view was that it was impossible for social workers to ignore the instructions of URA if URA was the funding body. He urged the Administration to consider providing separate funding for SSTs. Ms YIP Mee-yung, Representative, 重建聯區居民業主聯會, expressed similar concerns. To stop the collusion between URA and the developers, she reiterated the need for the Administration to mandate that not less than 70% of the street shops in urban redevelopment projects should be put up for sale in the market. Furthermore, she believed that only flat-for-flat and shop-for-shop compensation could resolve the existing problems. Miss WONG Wing-chi, Community Organiser, Community Development Alliance, shared her experience that it was difficult for social workers of SSTs to win the trust of the residents if SSTs continued to be funded by URA. It would be unrealistic for frontline social workers to separate rights advocacy from case handling because the two were closely related. Furthermore, she opined that in order to render assistance to residents involved in legal actions against URA and developers, SSTs gravely required professional legal support.

Response by the Administration

89. At the invitation of the Chairman, SDEV advised that the Administration had invited a very experienced social worker to sit on the Steering Committee on Review of the URS to provide professional input. Furthermore, the Administration had just received the report of a study by the Department of Social Work and Social Administration of The University of Hong Kong on the role of SSTs. At present, the Administration was more inclined to setting up an independent mechanism to fund and monitor the operation of SSTs. SDEV said that the Administration was considering an enhanced role of social workers in other building-related areas including cases of compulsory land sale for redevelopment. On better engagement of the community, SDEV said that DURFs would conduct public engagement activities to continue to tap the local communities' views on urban renewal in the respective district and would make reference to the previous District Aspiration Studies conducted. Through DURFs, the views of residents on the relative weighting and priority of the 4Rs in various districts could be identified. The Administration would endeavour to implement concrete measures to realise a people-oriented, bottom-up and district-based approach in urban regeneration.

II Any other business

90. There being no other business, the meeting ended at 12:43 pm.

Council Business Division 1
Legislative Council Secretariat
30 September 2010