

(Translation)

香港特別行政區政府
The Government of the Hong Kong Special Administrative Region

運輸及房屋局

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15 July 2016

Mr Derek Lo
Clerk to Legislative Council Panel on Housing
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road, Central
Hong Kong

Dear Mr Lo,

Legislative Council Panel on Housing

Meetings on 10 May 2016 and 6 June 2016

I enclose the supplementary information requested by Members
at the meetings on 10 May 2016 (**Annex 1**) and 6 June 2016 (**Annex 2**)
for Members' reference.

Yours sincerely,

(Original Signed)

(Jerry Cheung)

for Secretary for Transport and Housing

**Legislative Council Panel on Housing
Meeting on 10 May 2016**

Supplementary Information

PURPOSE

At the Legislative Council Panel on Housing meeting on 10 May 2016, Members requested the Government to provide supplementary information regarding interim housing (IH), the proposals of setting up bazaars in public housing estates, and issues in relation to restrictive covenants contained in the assignment deeds signed between the Hong Kong Housing Authority (HA) and Link Properties Limited (Link), previously known as the Link Properties Limited. This paper provides the relevant information.

INTERIM HOUSING

2. Under the prevailing Government policy, no person will be rendered homeless as a result of natural disasters or Government's clearance operations. Any persons who are rendered homeless as a result of Government actions such as clearance of unauthorised structures, eviction of unauthorised persons in public housing estates, Court Bailiff's execution of court orders to repossess private building units, etc., natural disasters or emergencies, may, through referral of relevant departments (such as Buildings Department, Lands Department, the Bailiff Section, etc.) apply to the Housing Department (HD) for temporary accommodation in a transit centre (TC) while awaiting eligibility vetting for further rehousing or looking for alternative accommodation themselves. After these households are admitted to the TC, HD will

obtain more details about their actual situation to ascertain whether they are genuinely homeless. If these households have stayed in the TC for three months, passed the “homeless test” and proved that they have no alternative accommodation, and fulfilled the prescribed eligibility criteria for public rental housing (PRH), including income limit, asset limit and ‘no domestic property’ rule, HD will arrange for their admission to the IH while awaiting PRH through PRH application.

3. There are currently two IHs under HA, viz. Po Tin Interim Housing (PTIH) in Tuen Mun and Shek Lei Interim Housing (SLIH) in Kwai Chung. Together they provide a total of about 5 100 units, among which PTIH provides about 3 200 units and SLIH provides about 1 900 units. Since IH is a transitional accommodation by nature, its occupancy situation will vary according to the number of referrals and number of moving out cases¹.

4. In the past three years (i.e. from end-2013 to end-2015), the number of admission and the number of moving out cases in IHs almost offset each other. Hence, there were not much changes in the occupancy rate. The overall occupancy rate² was about 65% on average, while the occupancy rate of SLIH averaged at about 40%.

5. Should HA decide to clear SLIH in the future, households that are due for PRH allocation at the time of clearance will be offered suitable PRH units according to their choices of PRH districts. Households which are not yet due for PRH allocation will move to other IH. Po Tin Estate consists of nine residential blocks, providing both PRH and IH units, among which about 3 200 are IH units. PTIH can provide adequate units to accommodate those households who are not eligible for admission to PRH, as well as to cater for future demand for IH. HA will

¹ According to prevailing policies, households admitted to IH must apply for PRH. When the G-application numbers of these households are due for flat allocation, they will be allocated PRH units and have to surrender their IH units.

² Long Bin Interim Housing (LBIH) in the New Territories has been frozen for letting since January 2014 pending clearance. The average occupancy rates for 2014 and 2015 only include PTIH and SLIH, but not the LBIH which will be vacated for clearance in 2016. The average occupancy rates as at end-2013, end-2014 and end-2015 are 67%, 65% and 63% respectively.

continue to review the supply of IH and TC units regularly to ensure that there will be sufficient vacant IH and TC units.

PROPOSALS OF SETTING UP BAZAARS IN OPEN AREAS IN PUBLIC HOUSING ESTATES

6. The Food and Health Bureau (FHB) had written to respective District Councils (DCs) Chairmen to explain its stance and the considerations that need to be taken into account regarding the proposals from various local organisations on the setting up of bazaars. FHB also suggested the respective DCs Chairmen to discuss and follow up on the proposals at DCs. Regarding any proposals of setting up bazaars in open areas in public housing estates, HA will consider the need and circumstances of the estates concerned, in accordance with Government's policy and established arrangement on the setting up of bazaars. At the same time, HA has to carefully examine the impact of such proposals on individual estates. In general, public housing estates are densely populated. Open spaces on the ground level are often used for public passage, sitting-out areas or common spaces for residents' use. HA has to thoroughly consider residents' need for common spaces, as well as the views of residents, other stakeholders and the local community on the change in its use. At the same time, HA also needs to consider whether the proposals would cause environmental hygiene problems, obstruction of public passages, nuisances to residents or illegal hawking activities, etc. Furthermore, some public housing estates are located on land lots subject to land leases, which set out restrictions on floor area and land use. Hence, approval from the Lands Department and consent from other owners may be required for implementation of such proposals.

ASSIGNMENT DEEDS SIGNED BETWEEN HA AND LINK IN RELATION TO THE DIVESTMENT OF COMMERCIAL FACILITIES

7. Link is a private corporation. Its business direction and day-to-day operations are completely independent of the Government and HA.

8. As a private entity, Link is entitled to rights over its properties and has to comply with relevant laws, conditions of land leases and other contractual terms, just like any other private property owners. As with all other private entities, so long as its operation complies with the legislation and land lease conditions, the Government cannot interfere owners' lawful right to use their properties. Also, so long as Link does not breach the terms of covenants signed with HA, HA cannot and will not interfere in the day-to-day operation and commercial decisions of Link, including the outsourcing of management and the disposal of properties.

9. The restrictive covenants contained in the assignment deeds signed between HA and Link do not promulgate any restrictions over the outsourcing of the properties management by owners of the divested properties, including Link. As for the disposal of properties, the restrictive covenants contained in the assignment deeds between HA and Link do not prohibit the disposal of divested properties by its owner. However, the covenants stipulate that, under specific circumstances, the commercial and carparking facilities shall not be disposed of except as a whole. Under the retail covenant, if HA still holds any proprietary interest in the estate or court concerned, the restriction that the shopping centre shall not be disposed of, except as a whole, will remain effective. Under the carpark covenant, if HA holds all residential units in the estate or court concerned, the restriction that the carparking facilities shall not be disposed of, except as a whole, will remain effective.

10. The Welfare-letting Covenant is also one example of the restrictive covenants in assignment deeds signed between HA and Link. The Covenant requires that certain designated units (the Welfare Premises) in the divested properties must be let at the rent levels³ assessed by HA to non-profit-making organisations nominated by specific Nominating Authorities (i.e. Education Bureau, Social Welfare Department, Leisure and Cultural Services Department and other relevant Government departments, entities and organisations) for the operation of welfare, educational and community services.

**Transport and Housing Bureau
July 2016**

³ As stipulated under the Welfare-letting Covenant, for Welfare Premises not for the use as kindergartens, the rent should not exceed the Concessionary Rent. As defined in the Covenant, Concessionary Rent means the rent assessed by HA from time to time to be the rent applicable to premises for similar use as the Welfare Premises provided in properties owned by or under the control and management of HA. The current level of Concessionary Rent is \$55 per square meter of the internal floor area per month with effect from 1 April 2016. As for kindergartens, the rent for the initial term shall not exceed 50% of the market rent as assessed by HA (the Half Market Rent). For renewal of terms, the rent shall be the higher of the Half Market Rent and the then effective Concessionary Rent.

**Legislative Council Panel on Housing
Meeting on 6 June 2016**

Supplementary Information

PURPOSE

At the Legislative Council Panel on Housing meeting on 6 June 2016, Members requested the Government to provide supplementary information regarding the Total Maintenance Scheme and Marking Scheme for Estate Management Enforcement in public housing estates implemented by the Hong Kong Housing Authority (HA), as well as issues relating to the old application forms for public rental housing (PRH). This paper provides the relevant information.

TOTAL MAINTENANCE SCHEME

2. HA has all along carried out appropriate modification works to the PRH units of PRH tenants with special needs, in accordance with their needs and on the advice by medical officers, occupational therapists and physiotherapists. In the past 3 years (i.e. 2013-14, 2014-15 and 2015-16), HA has completed some 6 500, 6 300 and 6 500 modification works of this kind in public housing estates under its management.

**MARKING SCHEME FOR ESTATE MANAGEMENT
ENFORCEMENT**

3. The multi-storey building design is adopted by HA in the

construction of PRH, with a view to achieving full utilisation of land resources. Keeping dogs in densely populated public housing estates may induce not only noise nuisance, but also hygiene issues. In this regard, keeping dogs by PRH tenants is generally not allowed.

4. For tenants with visual and audio disabilities who apply for keeping trained guide dogs, HA will consider the cases with discretion, based on the needs of these tenants. Similarly, if a tenant with visual impairment wishes to keep a guide dog undergoing road-leading training in order to enable the dog to adapt to the living environment of PRH, HA will also consider the case based on individual circumstances. Besides, for visitors with visual impairment and accompanied with guide dogs, or visitors who bring guide dogs to PRH blocks for assisting visually impaired tenants with road-leading training, HA will grant permission to these cases, so long as the duration of stay does not exceed the time required for such visits.

5. HA understands from associations providing guide dogs services that training of guide dog puppies is required to prevent them from barking at night. However, guide dog puppies may cause nuisances to PRH tenants during the training process. In view of the dense population in public housing estates and tenants' aspiration for maintaining a hygienic and quiet living environment, it would be difficult for HA to allow guide dogs trainers to keep the guide dogs or puppies being trained in their PRH units. In fact, the existing guidelines allowing the entry of guide dogs into public housing estates already strike a pragmatic balance between tenants' interests and the provision of guide dogs services by guide dog associations.

ISSUES RELATING TO OLD APPLICATION FORMS FOR PRH

6. In 2013-14 and 2014-15, about 4 600 and 2 200 PRH applications were respectively cancelled at the detailed vetting stage due

to various reasons, such as exceeding the income or asset limit for PRH application, having double housing benefits, etc. However, the Housing Department (HD) does not maintain figures of cases cancelled due to the omission in declaring insurance schemes.

7. In handling the omission of declaring insurance schemes in PRH application, HD will consider each case in a prudent manner. If an applicant finds that he/she has not declared the insurance schemes at the time of application, and he/she has taken the initiative to inform HD and explain for the omission before the detailed vetting interview or at the first detailed vetting interview, HD will look into the case to ascertain whether the applicant has knowingly concealed the value covered under the insurance scheme. If it is reasonably believed that the concealment is made knowingly by the applicant, the application will be cancelled regardless of whether the income or asset value has exceeded the prescribed limit, and HD will take prosecution actions. If the applicant can provide supporting documents and the explanation is accepted by HD, and that adding in the omitted asset and income will not lead to the prescribed limits being exceeded, the application will be retained. Nevertheless, a warning letter will be issued to caution the applicant that his/her application will be cancelled immediately upon future discovery of false declaration, and HD will also initiate prosecution actions.

8. In the “Notes on Declaration on Income and Assets for Completion of Applicant’s Declaration” as enclosed in the invitation letter for detailed vetting interview, it is clearly stated that savings or investment-linked insurance scheme is an asset item to be declared. The “Checklist for Documents and Important Notes” also reminds the applicant to bring along documents such as bank book(s) and insurance anniversary statement(s), etc. to attend the interview. Hence, the applicant should be fully aware of the requirement to declare insurance scheme at the time of the first detailed vetting interview. Besides, HD staff will caution the applicant and his/her family member(s) during the detailed vetting interview that all the information provided must be true

and correct. Given that the applicant has been repeatedly reminded by HD, regardless of whether the omission is later reported by the applicant's own accord or discovered by HD, the application of PRH will be cancelled and HD may initiate prosecution actions if the applicant fails to declare the cash value and interest of his/her insurance scheme.

9. At the stage of registration for PRH applications, applicants are required to make declaration for all assets. However, submission of supporting documents is only required for major declarable assets in the application, whilst for certain types of assets such as bank deposits, insurance schemes, shares in listed companies etc., such supporting documents are not required. At the time of attending detailed vetting interview, applicants are required to bring along and submit supporting documents of all asset items for detailed vetting. The present system strikes an appropriate balance between avoiding delay in the application process as a result of requiring applicant to submit too many supporting documents at the application stage; and guarding against submission of false information.

Transport and Housing Bureau
July 2016