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Ms Doris Lo
Clerk to Panel on Development
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms Lo,

**Legislative Council Panel on Development
Work of the Urban Renewal Authority**

Thank you for your e-mail of 26 June 2019, inviting us to provide supplementary information on matters raised by Members of the Legislative Council Panel on Development during the meeting held on 25 June 2019. The supplementary information provided by the Urban Renewal Authority (“URA”) is set out below in seriatim –

- (a) the assistance offered by URA to the operators of vehicle repair workshops affected by URA's redevelopment projects in To Kwa Wan in relocating and continuing their operations in other districts:**

There are 60 car repairing and related business operators in the six redevelopment projects in To Kwa Wan (namely the Chun Tin Street / Sung Chi Street Project (KC-008A), the Bailey Street / Wing Kwong Street Project (KC-009), the Hung Fook Street / Ngan Hon Street Project (KC-010), the Hung Fook Street / Kai Ming Street Project (KC-011), the Wing Kwong

Street Project (KC-012), and the Kai Ming Street / Wing Kwong Street Project (KC-013)).

Among the 60 operators, 41 are located in properties acquired by URA, of which 29 (about 70%) have accepted URA's compensation offers and have delivered vacant possession or have yet to move out. URA will endeavour to continue to discuss with the remaining 12 tenants located at properties acquired by URA on matters relating to compensation and relocation. According to the understanding of URA, among those 17 operators who have already moved out of the properties, most have moved to Kowloon City / To Kwa Wan, Shatin, Tsuen Wan and the North District to continue their operations. The Urban Redevelopment Facilitating Services Co. Ltd., a wholly-owned subsidiary company of URA, will continue to proactively assist the shop operators remaining on site in finding suitable replacement shops.

In addition, to enable the operators to have sufficient funds for relocation and to continue its operations, owner-occupiers and tenants of commercial properties will receive compensation in accordance with URA's policy on acquisition and ex-gratia payments.

(b) the objectives and merits of Yau Mong District Study, including how the new district-based renewal approach being studied could expedite the urban renewal process and bring benefits to the residents of the old districts:

The Yau Mong District Study adopts a comprehensive planning-led, district-based urban renewal approach to tackle the complex issues caused by the rapid pace of urban decay in the district, and to facilitate urban renewal efforts by URA and other stakeholders / participants. The Yau Ma Tei and Mong Kok districts ("Yau Mong Districts") are chosen as the study area as these are densely populated areas with a significant number of buildings exceeding the development intensity permitted under the existing planning and legislation limits. The district planning study will provide data for research which will facilitate a thorough understanding of the situation for long term planning and technical studies.

URA will obtain data analysis through baseline reviews, explore various possibilities, and formulate three options of Master Urban Renewal Concept Plans (“MRCP”) based on three density scenarios of “positive”, “neutral” and “negative”, to test out different levels of density (increase, decrease, or status quo). The MRCP will integrate different 5R urban renewal initiatives (i.e. redevelopment, rehabilitation, revitalisation, preservation and retrofitting). URA will also assess the implications of these three MRCP options in terms of technical, community planning, financial and urban design. The study will form the basis of urban renewal works in the Yau Mong Districts, enabling URA to coordinate future urban renewal efforts in the Yau Mong Districts in a comprehensive and effective manner, and URA may consider extending any new policies and practical and feasible modus operandi to other districts.

The study will identify locations within the Yau Mong Districts for in-depth studies, and search for solutions in planning and space to address common urban planning issues (e.g. traffic congestion, shortage of car park spaces and lack of open space). These locations are mostly junctions easily accessible by transportation and suitable for renewal as well as areas where diverse economic activities are concentrated. In the next stages of the study, URA will propose projects integrating the 5R urban renewal strategy in these selected locations, and implement the MRCP gradually according to short, medium and long term targets. The study will also explore organising the use of land through district-based planning and more flexible means of planning (e.g. the transfer of plot ratio).

If the recommendations in the Yau Mong District Study are implemented based on a comprehensive planning-led and district-based urban renewal approach, we expect that more public and open space could be provided to the residents and the public, the living environment could be improved, and long-standing problems in the urban areas such as traffic congestion could be resolved. In addition, the study would introduce the application of “smart city” elements and further take forward “place making” concepts, which will inject new life in areas where urban renewal took place, and bring greater

benefits to the residents and the community and highlight the identity of the district.

(c) measures of the Administration / URA to facilitate the owners of old buildings with fragmented ownership to participate in Operation Building Bright 2.0:

URA has engaged 11 local non-governmental organisations in various districts where there are substantial numbers of old buildings to promote building rehabilitation schemes, including Operation Building Bright 2.0 (“OBB 2.0”) and offer assistance to building owners, including formation of Owners’ Corporation (“OC”), to apply for the rehabilitation schemes.

The first round of OBB 2.0 application was launched between July and October 2018; the operation accepts applications from buildings that do not have an OC. To encourage owners of buildings without OCs to participate in OBB 2.0, URA engaged a legal consultant to offer free legal advice to needy owners with a view to assisting them to reach a consensus in accordance with the relevant provisions in the Deeds of Mutual Covenant or forming an OC to join OBB 2.0. Of the valid first round applications, there are 12 applications from buildings that are yet with an OC but have obtained the consent of all owners to join OBB 2.0.

Further, to facilitate buildings without an OC whose owners intend to form an OC shortly to apply for OBB 2.0 in the name of the OC, URA has made special arrangement allowing owners to convene a general meeting for a resolution of OC formation, to reach a general agreement in applying for OBB2.0 and to nominate representatives to submit the application. These buildings may submit the required documents within six months after the closing of the application (viz. on or before 30 April 2019). Of the valid first round applications, three applications had joined OBB 2.0 through this arrangement. Besides, URA would provide a maximum subsidy at \$3,000 to eligible owners of private domestic buildings to form OC.

Under OBB 2.0, for target buildings whose owners have difficulties coordinating the prescribed inspection and repair works in the common parts of their buildings, the Buildings Department (“BD”) will proactively select such buildings on the

result of risk assessment and exercise its statutory power to hire consultants and contractors to carry out the requisite works in default of owners and seek to recover the cost from them afterwards. Eligible owners may seek to cover all or part of such cost by claiming subsidies available under OBB 2.0. As at end June 2019, BD has selected some 200 buildings out of this group; default works for some of the buildings have already commenced.

Yours sincerely,

Derek Lee

(Derek Lee)
for Secretary for Development