

立法會
Legislative Council

LC Paper No. CB(1)1016/20-21
(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

**Minutes of meeting by videoconferencing on
Thursday, 14 January 2021, at 9:30 am**

- Members present** : Hon Tommy CHEUNG Yu-yan, GBS, JP (Chairman)
Hon Wilson OR Chong-shing, MH (Deputy Chairman)
Hon Abraham SHEK Lai-him, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon CHAN Han-pan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Hon KWOK Wai-keung, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon SHIU Ka-fai, JP
Hon CHEUNG Kwok-kwan, JP
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon Vincent CHENG Wing-shun, MH, JP
Hon Tony TSE Wai-chuen, BBS, JP
- Member absent** : Hon WONG Kwok-kin, SBS, JP
Hon YUNG Hoi-yan, JP

**Public Officers
attending**

: Agenda Item III

Dr Raymond SO, BBS, JP
Under Secretary for Transport and Housing

Mr Stephen WONG
Project Director (2)
Transport and Housing Bureau

Ms Linda CHOY
Chief Executive Officer (Transitional Housing)
Transport and Housing Bureau

Agenda Item IV

Mr Frank CHAN, JP
Secretary for Transport and Housing

Mrs Alice CHEUNG, JP
Acting Permanent Secretary for Transport & Housing
(Housing)/Deputy Secretary for Transport and Housing
(Housing)

Ms Pecvin YONG
Principal Assistant Secretary for Transport and Housing
(Housing) (Private Housing)

Mr Kenneth LEUNG
Assistant Director of Housing
(Housing Subsidies), Housing Department

Ms Catherine FONG
Chief Housing Manager/Applications
Housing Department

Agenda Item V

Mr Frank CHAN, JP
Secretary for Transport and Housing

Mrs Alice CHEUNG, JP
Acting Permanent Secretary for Transport & Housing
(Housing)/Deputy Secretary for Transport and Housing
(Housing)

Ms Doris HO, JP
Deputy Secretary for Development
(Planning & Lands)¹

Ms Connie YEUNG, JP
Deputy Director of Housing
(Development & Construction)

Ms Sandra LAM
Assistant Director (Strategy Planning)
Housing Department

Ms Portia YIU
Chief Planning Officer 2
Housing Department

Clerk in attendance : Mr Derek LO
Chief Council Secretary (1)5

Staff in attendance : Mr Fred PANG
Senior Council Secretary (1)5

Ms Michelle NIEN
Legislative Assistant (1)5

Action

The Chairman advised that pursuant to a motion under Article 75 of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China passed by the Legislative Council on 13 January 2021 and the procedure set out in the Schedule to the motion, the Panel on Housing ("the Panel") held the meeting by videoconferencing on Zoom.

Action

I. Information papers issued since last meeting

2. Members noted that the following papers had been issued since last meeting –

LC Paper No. CB(1)104/20-21(01) — Joint letter dated 2 November 2020 from Hon Wilson OR Chong-shing and Hon Vincent CHENG Wing-shun regarding the study of tenancy control of subdivided units (Chinese version only)

LC Paper No. CB(1)125/20-21(01) — Land Registry Statistics for October 2020 provided by the Administration (press release)

LC Paper No. CB(1)335/20-21(01) — Land Registry Statistics for November 2020 provided by the Administration (press release)

LC Paper No. CB(1)422/20-21(01) — Land Registry Statistics for December 2020 provided by the Administration (press release)

II. Items for discussion at the next meeting

(LC Paper No. CB(1)456/20-21(01) — List of follow-up actions

LC Paper No. CB(1)456/20-21(02) — List of outstanding items for discussion)

Action

3. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 1 February 2021, at 2:30 pm –

- (a) Head 711 project no. B808CL – Site formation and infrastructure works for public housing developments at Tseung Kwan O;
- (b) Clearance of Shek Lei Interim Housing; and
- (c) Work progress of the Task Force for the Study on Tenancy Control of Subdivided Units.

(Post-meeting note: The notice of meeting and agenda were issued to members vide LC Paper No. CB(1)476/20-21 on 15 January 2021.)

4. Members raised no objection to the Administration's proposal at the work plan meeting held on 29 October 2019 that items 16 to 25 on the Panel's list of outstanding items for discussion (LC Paper No. CB(1)456/20-21(01)) be deleted.

III. Proposed funding injection of an additional funding of \$3.3 billion to the Funding Scheme to Support Transitional Housing Projects by Non-government Organisations

- | | |
|---------------------------------|---|
| (LC Paper No. CB(1)299/20-21 | — Administration's paper on Funding Scheme to Support Transitional Housing Projects by Non-government Organisations |
| LC Paper No. CB(1)54/20-21(04) | — Paper on transitional housing prepared by the Legislative Council Secretariat (updated background brief) |
| LC Paper No. CB(1)103/20-21(01) | — Submission from Ta Kwu Ling District Rural Committee N.T. (Chinese version only)) |

Action

5. The Chairman advised that the item was carried over from the meeting on 2 November 2020 for which the Administration had subsequently submitted a revised discussion paper (LC Paper No. CB(1)299/20-21) to supersede the previous one for it (LC Paper No. CB(1)54/20-21(03)).
6. At the invitation of the Chairman, Under Secretary for Transport and Housing ("USTH") briefed members on the revised discussion paper, which set out the Administration's proposal to inject an additional funding of \$3.3 billion to the Funding Scheme to Support Transitional Housing Projects by Non-government Organisations ("the Funding Scheme").
7. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects. He further drew members' attention to Rule 84 of the RoP on voting in case of direct pecuniary interest.

Progress of transitional housing initiative

8. Mr Vincent CHENG and Mr Wilson OR said that their political affiliation supported the proposal, and expressed commendation on efforts of the Transport and Housing Bureau ("THB") in facilitating the provision of transitional housing units. Mr OR said that the Administration should consider more effective ways to increase the supply of such housing in order to meet the three-year target. Mr CHENG opined that despite its short-term nature, transitional housing projects, such as the one at Nam Cheong Street, did provide a better living environment for inadequately-housed households ("IHHs") and help relieve their rental burden. Noting that the Administration had proved capable of completing the temporary quarantine facilities in Lantau quickly, he enquired whether the Administration would further simplify the procedures to enable non-government organizations ("NGOs") to complete more transitional housing projects in 2021. Mr KWOK Wai-keung said that his political affiliation agreed to the proposal. He opined that the shortfall of public housing had persisted for years, and the Administration should adopt a more flexible approach in facilitating transitional housing projects.
9. USTH replied that since its establishment, the Task Force on Transitional Housing ("TFTH") had convened nine inter-bureaux/departamental meetings to deliberate ways to resolve obstacles from the policy perspective that might affect transitional housing projects, such as relaxing the relevant development parameters. Using suitable rooms in

Action

hotels/guesthouses with relatively low occupancy rates as transitional housing was also one of the measures to supply more units in the short term. USTH pointed out that different from transitional housing projects, the project to build the temporary quarantine facilities in Lantau did not require the provision of supporting facilities/services to cater for the daily living, travel and schooling/working needs of the user families of such facilities.

10. Mrs Regina IP said that her political affiliation supported the proposal. Expressing concern about the slow progress of the transitional housing initiative, she urged the Administration to expedite it as far as practicable. Mr Tony TSE said that provision of transitional housing would help improve the living environment of IHHs, and he supported in principle the proposal. He was disappointed at the limited number of transitional housing units that had been completed since the establishment of TFTH. He opined that the Administration should consider a standard timeframe for producing transitional housing and study how to speed up the approval process for the applications under the Funding Scheme.

11. USTH replied that TFTH had earlier on taken certain time to conduct feasibility studies on a number of projects and established a system for processing transitional housing development funding applications from NGOs, and with the experience it had gained, TFTH would help NGOs shorten the delivery time of transitional housing projects. So far, about 1 100 units had been completed and the number of works-in-progress units was about 2 300. The projects that had been activated would provide about 6 800 units. Keenly aware of the huge demand for transitional housing, the Administration had been pressing ahead with relevant work with a view to completing more projects in a short period of time.

Transitional housing in hotels/guesthouses and industrial buildings

12. Mr Tony TSE enquired about the progress of the initiative to provide transitional housing using suitable rooms of hotels/guesthouses, and whether the proposed funding injection had taken into account the implementation of this initiative. Mr KWOK Wai-keung enquired about the measures to convert industrial buildings and use suitable rooms in hotels/guesthouses for providing transitional housing. He further enquired whether the Administration would provide facilities/services in or near the industrial buildings and guesthouses where transitional housing would be provided in order to cater for the residents' laundry and cooking needs. USTH replied that the Government had been making active preparations for seeking funding from the Community Care Fund within the first quarter of 2021 to implement a pilot scheme to subsidize NGOs to use suitable hotels and guesthouses with

Action

relatively low occupancy rates as transitional housing. In light of the experience of the pilot scheme, the Administration would enhance the relevant arrangement with a view to providing more transitional housing in future. These premises might not be able to provide all the facilities required by residents of transitional housing, but there should be sufficient laundry services in their vicinities. On 24 December 2020, a pilot project on wholesale conversion of an industrial building in Kwun Tong to provide 116 transitional housing units with communal living areas and other suitable facilities was approved.

13. Mr SHIU Ka-fai said that his political affiliation agreed to the proposal. In reply to Mr SHIU's enquiry about the types, sizes and rent levels of hotel/guesthouse rooms that would be rented by NGOs as transitional housing, USTH replied that the average living space in transitional housing units should be about seven square metres per person in terms of Gross Floor Area ("GFA"). As most hotel or guesthouse rooms used for transitional housing were about 100 square feet, they were more suitable for accommodating one to two persons. In determining the amount of subsidy for NGOs to provide such units, the Administration would make reference to the financial subsidy ceiling of \$0.2 million for renovating an existing residential unit for conversion into transitional housing unit, and take into account the merits of individual projects.

14. Dr Junius HO expressed reservations about the proposal on the ground that transitional housing projects required substantial funding and the participation of many NGOs was not efficient. The number of transitional housing units that had so far been constructed was small and the project delivery was slow. He queried why the Government did not directly take part in the construction of transitional housing.

Cost and period of transitional housing projects

15. In response to Mr Wilson OR's enquiry about the measures to speed up the construction of transitional housing and lower the construction cost, USTH advised that the Administration had already identified sufficient land to provide about 13 400 transitional housing units out of the supply target of 15 000 units. After the land required for providing the remaining 1 600 units that had been identified, the Administration would proceed to facilitate the construction of transitional housing on such land full steam ahead, and would also consider cost-reduction measures as far as practicable.

Action

16. In view that since the launch of the Funding Scheme in June 2020, the TFTH had received five applications with a total funding amount of \$2,230.8 million providing 4 076 units, representing about \$0.547 million per unit on average, Mr SHIU Ka-fai expressed concern that the cost of providing a transitional housing unit would be high if the NGO concerned could operate the project for only a period as short as two years. USTH replied that as transitional housing units were commonly built using modular integrated construction method, the units could generally be reused in other projects to maximize their cost-effectiveness when a project was completed. Some landlords of the sites/premises of transitional housing projects would lease their land to the project operators for periods ranging from more than two years to about eight years. Some landlords were willing to continue leasing their land to project operators after the existing tenancy agreements expired.

17. Mrs Regina IP asked whether the construction costs of the approved transitional housing projects were comparable to each other, and whether the construction technology would continue to improve when more organizations participated in such projects, resulting in a reduction in the construction cost. Project Director (2), Transport and Housing Bureau replied that the technology that could be used for constructing transitional housing units had gradually matured over years. The wider adoption of modular integrated construction method in the construction industry might help drive down the cost of constructing such housing in future.

18. Mr Tony TSE enquired how the Administration/TFTH would take into account the higher cost that might be incurred in constructing transitional housing at very small land sites when considering the relevant applications under the Funding Scheme. USTH replied that the Administration/TFTH would take into account the merits of the proposal submitted by the project proponent and a number of site-specific factors in determining the amount of funding to be allocated to subsidize a transitional housing project. The Administration was open to members' views regarding whether the subsidy amount under the Funding Scheme should be adjusted in view of the size of the transitional housing site.

Operational issues

19. In view that residents of transitional housing might be required to move out from their units upon expiry of the tenancy period which generally lasted for two years, Mr Wilson OR enquired how the Administration would help resolve the difficulties faced by such tenants in finding alternative accommodations. USTH replied that there were cases where upon expiry of the two-year tenancy, tenants of transitional housing had moved to public

Action

rental housing ("PRH") or had been able to make their own accommodation arrangements through some assistance programmes provided by NGOs. Some NGOs which were operating multiple transitional housing projects might also make use of their resources flexibly to assist tenants with special needs. In response to Mr KWOK Wai-keung's enquiry on whether some transitional housing units in industrial buildings or guesthouses could be used for accommodating street sleepers, USTH advised that some operating NGOs might consider providing some units for street sleepers, who satisfied the eligibility criteria for transitional housing, using some of the one- or two-person units under their transitional housing projects.

Use of the funding under the Funding Scheme

20. Mr Vincent CHENG opined that the Administration should consider putting in place a monitoring mechanism to ensure an appropriate use of the resources under the Funding Scheme and provide relevant updates to members of relevant LegCo committees on a regular basis. Mrs Regina IP opined that the Administration should exercise prudence in vetting the applications for subsidies under the Funding Scheme. She asked about the respective proportions of the subsidies for administrative overheads of a transitional housing project and the capital cost of constructing housing under the project, and whether the funding allocation for management of a transitional housing project would increase if the relevant NGO increased its management staff or upgraded the relevant posts.

21. USTH replied that the Funding Scheme was mainly to subsidize NGOs to carry out the works required to make fit the potential sites/premises for their transitional housing projects on a one-off basis. The small amount of subsidy for covering administrative overheads for the implementation of their projects before the tenants moved in was capped at \$1.5 million. After tenants moved in, the expenses of providing services for tenants would have to be recovered from the receivable rental income. To monitor the expenditure and financial situation of approved projects under the Funding Scheme, TFTH would require successful applicants to submit annual reports regarding their projects.

22. In response to Mr KWOK Wai-keung's enquiry about how the proposed funding injection helped achieve the supply target of transitional housing, USTH advised that the proposal of injecting an additional funding of \$3.3 billion to the Funding Scheme was required to meet the increase in the supply target of transitional housing from 10 000 to 15 000 units as announced by the Government in January 2020.

Action

Use of transitional housing sites and role of the Government

23. Mr Wilson OR considered that the Government's role as a facilitator of the development of transitional housing and provider of financial support was limited. Instead of waiting for NGO's applications for implementing projects at transitional housing sites, the Administration should invite the Hong Kong Housing Authority ("HA") and the Urban Renewal Authority ("URA") to participate more in such projects. USTH replied that the Administration would continue to play an active role in bringing together community efforts and supporting different NGOs to apply their creativity to provide various kinds of transitional housing projects. In the transitional housing projects in Hung Shui Kiu and Ta Kwu Ling, URA had provided support and advice to the project proponents during the pre-construction stage. As for HA, its priority would be to focus its resources and efforts on increasing public housing production in order to meet the 10-year housing supply target under the Long Term Housing Strategy ("LTHS"). In fact, the number of public housing units that HA was required to produce in the coming years would continue to increase.

24. Ir Dr LO Wai-kwok said that his political affiliation supported the proposal which would provide resources to help solve the housing problem faced by grassroots families. He opined that the construction cost of a PRH unit might be higher than that of a transitional housing unit. Nevertheless, in contrast to transitional housing which was temporary in nature, PRH would address the housing needs of needy households in the long term. The Administration should assess whether a site originally reserved for transitional housing was also suitable for providing public housing.

25. USTH replied that when vetting a transitional housing proposal, the Administration would assess the permitted uses of the land site concerned. The Administration would use a site for public housing development (instead of transitional housing) as far as possible, and there were cases where a land site originally identified for transitional housing development was later earmarked for public housing development upon review. He explained that the average cost of providing a transitional housing unit in the five approved transitional housing projects, i.e. \$0.547 million, reflected not only the cost of constructing transitional housing units but also the cost of making fit the site for the transitional housing project, whereas the cost for taking forward a PRH development project comprised not only the construction cost of PRH units but also the expenditures incurred for carrying out works for forming a cleared site for the development and other related costs. For the privately-owned sites leased to NGOs for implementing transitional housing projects, the cost of the basic site formation works would be borne by the private

Action

developer concerned, and the Administration would facilitate the implementation of such projects through providing necessary support to the project proponents, offering advice on relevant administrative or statutory procedures, and rendering assistance in funding applications under the Funding Scheme.

Provision of ancillary facilities and services for residents

26. Mr CHAN Hak-kan, Mr Wilson OR and Mr LEUNG Che-cheung opined that to tie in with the development of transitional housing, the Administration needed to ensure the provision of sufficient transport and other ancillary facilities/services for the local community. Mr LEUNG enquired about the measures to attract urban IHHs to move to transitional housing in remote locations such as Kong Ha Wai where ancillary facilities were currently limited. Dr CHENG Chung-tai expressed concern that NGOs might encounter difficulties in managing large-scale transitional housing projects such as the one at Kong Ha Wai, hence repeating the typical problems in subdivided units ("SDUs") such as disputes among tenants, inadequate ancillary facilities to meet the residents' need, etc. He expressed reservations on the proposal.

27. USTH replied that transitional housing units were very different from SDUs. The Administration had put in place guidelines on the average living space per person in transitional housing units, that is, about seven square metres per person in terms of GFA. After receiving a transitional housing proposal, the Administration would conduct relevant assessments to confirm the feasibility of providing sufficient transport and community facilities to cater for the residents' need before proceeding further with the proposal. To tie in with the resident-intake of the transitional housing project, the operating NGO would provide supporting services for the residents in light of its own missions and experience in district work. The Administration opined that the transitional housing at Kong Ha Wai would be welcomed by potential tenants taking into account its rent levels and living environment, its proximity to the nearby West Rail station, the community network of the operating NGO and the number of households currently living in SDUs in Yuen Long. The amenity block of the project would provide a mini-supermarket, self-service laundry, accessible transport services, Chinese medicine, dental service and health kiosk, elderly services, youth support services, children and family services. The first intake of its residents would hopefully commence by the first quarter of 2022.

Action

28. Mr Tony TSE opined that the Administration needed to give an early consideration to whether the ancillary facilities provided as part of a transitional housing project would be retained for the community's permanent use after the end of the project, taking into account the local demand for such facilities. USTH replied that the Administration would consider the future use of ancillary facilities for a transitional housing project in a timely manner when it was known that the project would cease to operate.

Views of local community on transitional housing projects

29. Mrs Regina IP noted that there had been opposing views on proposals to provide transitional housing at vacant school premises. She enquired about how the Administration conducted consultations on transitional housing projects. Mr CHAN Hak-kan considered it important that the Administration consult the local community at an early stage of a transitional housing project and take into account local stakeholders' views in planning the project. He referred to the submission from Ta Kwu Ling District Rural Committee N.T. about the transitional housing project at the site of Sing Ping School in Ta Kwu Ling, and enquired whether the Administration would seek the support of the local stakeholders before allowing the project to continue.

30. USTH and Project Director (2), Transport and Housing Bureau replied that the Administration would carry out consultation work on the transitional housing project after it had proved to be technically feasible on the site/premises concerned. For a transitional housing project to be carried out within a public housing estate, the Administration would consult the mutual aid committee concerned, relevant Legislative Council Members, District Council Members, deputations and other local stakeholders. USTH advised that the Administration attached great importance to communicating with the local community on transitional housing proposals. The transitional housing project at the site of Sing Ping School provided about 700 units under its initial design. After communicating with the local stakeholders, the project proponent had adjusted the proposal to provide more units and community services suitable for elderly tenants. The Administration and the project proponent would continue to communicate with the local stakeholders regarding their other issues of concerns with a view to reaching a consensus before proceeding further with the project.

Concluding remarks

31. Concluding the discussion, the Chairman said that while two individual members had reservations on the proposal, most members and their political affiliations had indicated support to the proposal.

Action

IV. Cash Allowance Trial Scheme

- (LC Paper No. CB(1)293/20-21(03) — Administration's paper on Cash Allowance Trial Scheme
- LC Paper No. CB(1)456/20-21(03) — Paper on Cash Allowance Trial Scheme prepared by the Legislative Council Secretariat (background brief))

32. At the invitation of the Chairman, the Secretary for Transport and Housing ("STH") briefed members on the proposed Cash Allowance Trial Scheme ("the Scheme") which provided cash allowance on a trial basis to eligible General Applicant ("GA") households who were not living in public housing, not receiving the Comprehensive Social Security Assistance ("CSSA") and had waited for PRH for more than three years, until they were offered the first PRH allocation. With the aid of PowerPoint, Principal Assistant Secretary for Transport and Housing (Housing) (Private Housing) elaborated on the details.

(Post-meeting note: Presentation materials (LC Paper No. CB(1)472/20-21(01)) for the item were issued to members on 14 January 2021 in electronic form.)

[At 10:45 am, the Chairman advised that he had received three motions from members.]

33. The Chairman reminded members that in accordance with Rule 83A of RoP of LegCo, they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects. He further drew members' attention to Rule 84 of the RoP on voting in case of direct pecuniary interest.

Implementation of the Scheme and need for tenancy control of subdivided units

34. Mr Wilson OR said that his political affiliation supported the Scheme which should be implemented as early as possible. He enquired whether the Administration could start receiving applications for the Scheme earlier than mid-2021 to ensure that cash allowance would be disbursed to eligible

Action

households on schedule. STH replied that Housing Department ("HD") had been preparing for the launch of the Scheme, and aimed to issue notification letters and application forms in the second half of June 2021 and to disburse cash allowance from July 2021 onwards. The procedures for application and approval would be streamlined as far as possible, given that HD had already obtained information of the GA households when they submitted their PRH applications to HD some time ago.

35. Ms Alice MAK expressed support for the Scheme and enquired about the timing of introducing tenancy control of SDUs to prevent landlords from increasing the rent of SDUs upon implementation of the Scheme. Mr Wilson OR and Mr Vincent CHENG opined that the Administration should implement tenancy control of SDUs in parallel with the Scheme.

36. The Chairman said that if the Administration supported the introduction of tenancy control of SDUs, which required legislative amendments to implement, the Administration should start preparation for submitting the relevant Bill to LegCo in good time so that the measure could tie in with the implementation of the Scheme. He suggested that the Administration discuss with relevant LegCo committees its proposals on the subject when appropriate.

37. STH replied that the Administration would brief the Panel in February 2021 on the latest progress of the Task Force for the Study on Tenancy Control of SDUs ("the Task Force"), which had reached the final stage of its study; and upon receipt of the report of the Task Force, the Administration would consider its recommendations and follow up.

Matters relating to the first PRH flat offer

38. Ir Dr LO Wai-kwok said that he supported the Scheme as it would provide assistance to residents waiting for PRH for a long time. Noting that the Scheme's target beneficiaries would exclude applicants who had refused the first PRH flat offer, unless their refusal was determined by HD as reasonable under the existing policy, Ir Dr LO and the Chairman asked about what would constitute "reasonable refusal". STH replied that "reasonable refusals" referred to refusals supported by medical reasons, social reasons, absence from Hong Kong, etc. accepted by HD in accordance with established PRH allocation policy.

Action

39. Ir Dr LO Wai-kwok opined that as families waiting for PRH were generally keen to move to PRH as early as possible, they should have genuine reasons for refusing a PRH offer. Apart from setting out clearly the situations that would constitute "reasonable refusal", the Administration should adopt a flexible approach to handle the cases of declining PRH offers by households who were receiving cash allowance. Ms Alice MAK said that it was the HA's practice to provide a maximum of three PRH flat offers to an applicant and a household who had declined the first PRH flat offer might need to wait for a long time period before receiving the second or third PRH flat offer. She asked whether the Administration would keep disbursing cash allowance to a household before the household had moved to PRH. STH replied that given the limited PRH resources, PRH applicants were encouraged to accept the first flat offer, thereby facilitating the turnover of PRH flats. According to experience, the time gap between the first and second PRH offers was about a few months only. The Chairman suggested that the Administration should consider Ms MAK's views.

Eligibility of certain households for the Scheme

40. Mr Wilson OR noted that according to the proposal, the Scheme's target beneficiaries did not include non-elderly one-person applicants waiting for PRH, households who had been waiting for PRH for less than three years and households who were not waiting for PRH. He asked whether the Administration would continue disbursing allowance to these grassroots households through launching "One-off Living Subsidy for Low-income Households Not Living in Public Housing and Not Receiving CSSA" programme after the implementation of the Scheme. STH replied that the Government had announced the Community Care Fund would launch two rounds of "one-off living subsidy" for the low-income households not living in PRH and not receiving CSSA before the launch of the Scheme. The Community Care Fund had rolled out the first round of living subsidy in July 2020. The implementation of the Scheme would not affect the second round of the programme which would be rolled out in January 2021.

41. Mr Tony TSE said that he supported the Scheme which would assist eligible households waiting for PRH for more than three years. He asked whether a household living in transitional housing would be ineligible for the Scheme. STH replied that GA households living in transitional housing could apply for the cash allowance so long as they met the eligibility criteria of the Scheme.

Action

Number of eligible households for the Scheme and prevention of abuse

42. Mr SHIU Ka-fai and the Chairman said that their political affiliation supported the proposal. Mr SHIU enquired about the basis for the Administration's estimate that about 90 000 GA households were eligible for the Scheme upon its launch in mid-2021. Expressing concern that the Scheme might attract more applications for PRH, Mr SHIU enquired about the frequency of checking conducted by HD to identify the waiting list applicants who were no longer eligible for PRH with a view to preventing abuse of public resources. STH replied that the number of eligible GA households was estimated based on the current available data; and that a GA household would be considered as having met the "more than three years" requirement of the Scheme from the first date of the calendar month in which the household had waited for PRH for more than three years. As for the question of whether the Scheme might attract more PRH applications, STH replied that any household who submitted PRH applications after the launch of the Scheme would not be eligible for applying for the cash allowance until three years later and by then, the three-year Scheme would have ended. Regarding the measures to guard against abuse, he explained that while there might be changes in the family circumstances of GA households since their submission of PRH applications, the GA households applying for the cash allowance were obliged to declare that they continued to meet the income and asset limits, etc. for their PRH applications. HD would also conduct random checks on applications for the Scheme.

Levels of cash allowance

43. In view that the rate of cash allowance under the Scheme would be determined by making reference to the level at about half of the CSSA rent allowance ceiling (i.e. half of the maximum rent allowance ("MRA")), Mr Tony TSE asked whether the Administration would keep the rate unchanged throughout the three-year trial period. STH replied in the affirmative.

44. Mr Vincent CHENG opined that although cash allowance was not a "rental subsidy" for eligible families, the Administration should conduct surveys to keep track of the proportion of the rent paid by these families in their household income (excluding the cash allowance). He considered that if the proportion would be maintained at 25% or below, these families might be paying a reasonable rent. STH replied that it was appropriate to pitch the level of the cash allowance at about half of the CSSA MRA, taking into account the need to ensure proper use of public monies. Citing as an

Action

example a four-person household earning about \$10,000 or more a month and paying a monthly rent in the range of \$5,000 to \$7,000 for an SDU of about 100 square feet, STH considered the proposed cash allowance of \$3,000 for the four-person household suitable.

Review of the Scheme

45. Mr Tony TSE asked about the timing of the Administration's review of the Scheme and whether its outcome would be available before the disbursement of cash allowance ceased at the end of the trial period. STH replied that the Administration would conduct a review at an appropriate juncture after the launch of the Scheme, taking into account a basket of factors such as the actual implementation of the Scheme, the waiting time for PRH, the supply of public and transitional housing, the economy of Hong Kong, etc.

Motions

46. At 11:15 am, the Chairman referred members to the following motions, which he considered relevant to the agenda item –

Motion moved by Ms Alice MAK and seconded by Mr KWOK Wai-keung –

"本事務委員會要求政府當局在 2021 年中推行 "現金津貼試行計劃" ("計劃") 時，密切監察計劃對劏房等不適切住房的租金和租務市場影響，並採取措施以免無良業主借計劃推行而加租，其中包括盡快為劏房推行租金管制，從而保障基層租客。此外，當局也應盡快修訂法例及加強執法，以杜絕無良業主違法向租客濫收水、電費。"

(Translation)

"This Panel requests the Administration, when launching the Cash Allowance Trial Scheme ("the Scheme") in mid-2021, to closely monitor the impact of the Scheme on the rent of inadequate housing (e.g. subdivided units ("SDUs")) and the rental market, as well as put in place measures, including expeditiously implementing rent control of SDUs, to prevent unscrupulous landlords from increasing rent on the pretext of launching the Scheme, so as to protect grass-roots tenants. In addition, the authorities should expeditiously amend legislation and

Action

strengthen law enforcement, with a view to eradicating the unscrupulous landlords' practice of illegally overcharging tenants for use of water and electricity."

47. The Chairman put to the vote the motion moved by Ms Alice MAK. 7 members voted in favour of the motion, no member voted against or abstained from voting. The Chairman declared that the motion was carried.

Motion moved by Mr Vincent CHENG and seconded by Mr Wilson OR –

"鑒於部分劏房租金在經濟環境持續惡化的情況下，依然逆市加租，令基層住戶百上加斤；雖然當局建議在今年年中推出現金津貼試行計劃，以紓緩基層租戶的經濟壓力，但若政府無法監管劏房租金，現金津貼可能迅速被租金加幅蠶食，令租戶無法受惠。為此，本事務委員會促請當局盡力壓縮"劏房租管"的籌備工作，並在本屆立法會會期內提交"劏房租管"的條例草案，以爭取"劏房租管"及現金津貼試行計劃能於短時間內一併落實，使現金津貼試行計劃能真正讓基層租戶受惠。"

(Translation)

"As the rent of some subdivided units ("SDUs") are rising against the market trend amid the deteriorating economic environment, the burden of grass-roots households is becoming increasingly heavy. Although the authorities propose launching the Cash Allowance Trial Scheme in the middle of this year to alleviate the financial pressure on grass-roots tenants, there is a possibility that the cash allowance will be quickly "gnawed away" by rent increases if the Government fails to control the rent of SDUs, and as a result, tenants will not be benefited. In this connection, this Panel urges the authorities to compress as far as possible the preparatory work for tenancy control of SDUs, and introduce the bill on tenancy control of SDUs within the current legislative session, so as to strive for implementing in parallel tenancy control of SDUs and the Cash Allowance Trial Scheme within a short time and enable grass-root tenants to be truly benefited from the Cash Allowance Trial Scheme."

48. The Chairman put to the vote the motion moved by Mr Vincent CHENG. 6 members voted in favour of the motion, no member voted against or abstained from voting. The Chairman declared that the motion was carried.

Action

Motion moved by Mr Wilson OR and seconded by Mr Vincent CHENG –

"有鑒於政府當局早前表明，在今年年中推出現金津貼試行計劃後，關愛基金短期內不會再推出"非公屋、非綜援的低收入住戶一次過生活津貼"，而輪候公屋非長者一人申請人、輪候公屋未夠 3 年及非輪候公屋住戶都未能受惠於現金津貼計劃。故此，本事務委員會促請當局延續"非公屋、非綜援的低收入住戶一次過生活津貼"計劃，以補漏拾遺方式支援基層住戶。"

(Translation)

"As the Administration has indicated earlier that shortly after the launch of the Cash Allowance Trial Scheme in the middle of this year, the Community Care Fund will no longer launch the one-off living subsidy for low-income households not living in public rental housing ("PRH") and not receiving Comprehensive Social Security Assistance ("CSSA"), while non-elderly one-person applicants waiting for PRH as well as households who have been waiting for PRH for less than three years and who are not waiting for PRH cannot benefit from the Cash Allowance Trial Scheme, this Panel urges the authorities to continue launching the one-off living subsidy scheme for low-income households not living in PRH and not receiving CSSA, so as to plug the gaps in the Scheme and provide support for grass-roots households."

49. The Chairman put to the vote the motion moved by Mr Wilson OR. 6 members voted in favour of the motion, no member voted against or abstained from voting. The Chairman declared that the motion was carried.

(Post-meeting note: The wording of the motions passed was issued to members vide LC Paper Nos. CB(1)494/20-21(01) to (03) on 18 January 2021. The Administration's response to the motions was circulated to members vide LC Paper No. CB(1)741/20-21(01) on 26 March 2021.)

Action

V. Public Housing Construction Programme 2020-21 to 2024-25 and Long Term Housing Strategy Annual Progress Report 2020

(LC Paper No. CB(1)293/20-21(05) — Administration's paper on Public Housing Construction Programme 2020-21 to 2024-25

LC Paper No. CB(1)456/20-21(04) — Paper on Public Housing Construction Programme prepared by the Legislative Council Secretariat (updated background brief)

LC Paper No. CB(1)387/20-21(01) — Administration's paper on Long Term Housing Strategy Annual Progress Report 2020

LC Paper No. CB(1)456/20-21(05) — Paper on Long Term Housing Strategy prepared by the Legislative Council Secretariat (background brief)

50. At the invitation of the Chairman, STH briefed members on the public housing construction programme for the period from 2020-2021 to 2024-2025 as at September 2020 and the latest progress of key aspects of LTHS as at December 2020.

(Post-meeting note: STH's speaking note was issued to members on 14 January 2021 vide LC Paper No. CB(1)472/20-21(02) in electronic form.)

[At 11:31 am, the Chairman advised that he had received a motion from members]

Action

Waiting time for public rental housing

51. Mr Wilson OR asked whether the average PRH waiting time could be shortened to about three years, as the Government had identified the land required for providing 316 000 public housing units. He opined that the LTHS supply targets should take into account the objective of allocating PRH units within three years. Mr KWOK Wai-keung opined that the Administration had failed to meet the LTHS public housing supply target over the years, and enquired whether the Administration/HA could produce at least 30 000 PRH units annually to meet the demand of PRH applicants. STH replied that according to the established methodology under LTHS, the LTHS supply target was set based on the total housing demand derived from quantitative projections of various components, including the net increase in the number of households such as those formed through marriages, IHHs and households displaced by redevelopment, etc. As regards the PRH waiting time, it was affected by the changes in PRH supply and the number of PRH applicants, etc. The Administration/HA would continue to strive to achieve the target of providing the first PRH flat offer to general applicants at around three years. Of the 316 000 public housing units, about one-third were scheduled for completion in the first five-year period of the coming 10 years (i.e. 2021-2022 to 2025-2026) whereas the other two-third were scheduled for completion in the second five-year period (i.e. 2026-2027 to 2030-2031). The Administration believed that the average PRH waiting time would improve more significantly in the second five-year period.

Supply of land and public housing

52. Mr SHIU Ka-fai expressed commendations on the efforts of THB and the Development Bureau ("DEVB") in identifying the land required for providing 316 000 public housing units, and considered it important for the Administration to continue pressing ahead the housing projects on such land in order to meet the public housing demand in the coming 10 years. He enquired why the supply of public housing in the first five years of the 10-year period was one third instead of half of the 316 000 public housing units. STH replied that there would be relatively less supply of public housing in the five-year period from 2021-2022 to 2025-2026 than in the subsequent 5-year period due to shortage of land. That was why the Government had set up the Task Force on Land Supply to review and evaluate land supply options. Given that the land for providing 316 000 units had been identified, the Administration would strive to compress development programme and expedite the implementation of public housing projects.

Action

53. In response to Mr SHIU Ka-fai's enquiry on whether the Administration would continue to increase land supply to meet the housing and other development needs, STH advised that to meet housing demand after 2030-2031, THB would continue to work closely with DEVB to explore measures to increase land supply, such as conducting studies related to the development of artificial islands in the Central Waters. If there was adequate land supply, the living environment of the public would further improve. Mr SHIU remarked that the initiatives under the Lantau Tomorrow Vision would be of great help to increase housing land supply and provide a healthy and spacious living environment to members of the public.

Development of the Frontier Closed Area

54. In view that the Government had reduced the land coverage of the Frontier Closed Area in phases, hence releasing 2 400 hectares of land for various uses, Mr Tony TSE opined that the Administration should adopt new thinking in carrying out planning for the released lands, so as to fully realize their development potential to meet the long-term housing need of Hong Kong people and to grasp the opportunities arising from the increasing integration and cross-boundary activities with Shenzhen.

55. Deputy Secretary for Development (Planning & Lands)¹("DS(P&L)¹/DEVB") replied that the Administration had conducted various studies relating to development of the released land of the Frontier Closed Area, including development of Lok Ma Chau Loop and the New Territories North ("NTN") development. The Lok Ma Chau Loop covered about 87 hectares of land and would be used for innovation and technology development. Depending on whether there would be co-location arrangements at the new Huanggang Port in Shenzhen, the Administration would study how the over 20 hectares of land that could be released from the Hong Kong's Lok Ma Chau Boundary Control Point could be deployed for other uses. As regards the NTN development, the Administration had identified three potential development areas including San Tin/Lok Ma Chau Development Node, Man Kam To Logistics Corridor and NTN New Town, and had commenced the feasibility study of San Tin/Lok Ma Chau Development Node.

Vetting and approval procedures for housing development projects

56. Mr Wilson OR enquired about the measures in place to shorten the approval procedures that needed to be gone through for housing development projects in private residential sites, such as vetting of planning applications, with a view to expediting the supply of private housing. The Chairman

Action

enquired whether individual government departments involved in the approval process for development projects would set time limits for processing the relevant applications submitted to them.

57. DS(P&L)1/DEVB replied that the Town Planning Ordinance (Cap. 131) had stipulated that the Town Planning Board must consider applications for plan amendment submitted in accordance with section 12A within three months from the date of receipt. To facilitate the processing of planning, lease modification and other development approval applications for larger-scale private residential development projects leading up to the commencement of works, DEVB had set up the Development Projects Facilitation Office ("DPFO"). DPFO would co-ordinate with departments involved to expedite the approval process with a view to increasing housing supply. In addition, the Steering Group on Streamlining Development Control ("the Steering Group") set up under the Planning and Lands Branch of DEVB had been exploring how best to rationalize the approval process and arrangement adopted by the Buildings Department, the Lands Department and the Planning Department without prejudicing the relevant statutory procedures and technical requirements. The Steering Group also sought to enhance the transparency and certainty of the departments in the approval process. In response to the Chairman's enquiry about the progress of work of the Steering Group, DS(P&L)1/DEVB advised that since its establishment, the Steering Group had already promulgated for implementation streamlined measures covering seven topics.

Information on public housing development projects for the public

58. Mr Wilson OR enquired whether the Administration would enhance the transparency in dissemination of information about public housing development projects, such as providing a one-stop platform for the public to understand the progress of such projects including construction delays. He opined that compared to public housing, there was a greater transparency in respect of private residential development projects. Mr Tony TSE opined that the Administration should continue to update the Panel annually the situation of achieving the public housing production target. Deputy Director of Housing (Development & Construction) ("DDH(D&C)") replied that HD had a mechanism in place to report on a monthly basis to the HA's Building Committee the progress of public housing projects, including the number of contracts awarded, and whether there were delays in contracts under construction, etc. The department also uploaded the five-year public housing production forecast onto the websites of HA and THB on a quarterly basis for public's information. In addition, the Administration briefed members on the

Action

five-year public housing construction programme on an annual basis, setting out the list of public housing projects and the number of flats to be provided.

Subsidized sale flats

59. Mr KWOK Wai-keung relayed the concern of some civil servants that the PRH allocation for them was subject to Civil Service Public Housing Quota Scheme and the supply of Home Ownership Scheme ("HOS") and Green Form Subsidised Home Ownership Scheme ("GSH") was inadequate. He asked about the room for increasing the supply of subsidized sale flats ("SSFs") to cater for home ownership aspirations. STH replied that the LTHS supply target of other SSFs (i.e. excluding GSH) for the 10-year period from 2021-2022 to 2030-2031 was about 91 000 units, representing about 30% of the public housing supply target for the same 10-year period. Apart from SSFs, members of the public might also consider purchasing unsold flats in 39 Tenants Purchase Scheme estates. As regards the provision of public housing for civil servants, it was a civil service benefit under the purview of the Civil Service Bureau.

60. Dr CHENG Chung-tai queried whether the Administration had over-estimated the demand for SSFs given that Hong Kong's economy had entered into recession since last year. He referred to the concern in a press report on 11 January 2021 about the building quality in flats of the newly completed Yu Tai Court (such as hollow spot at wall tile, etc.) and queried whether in the attempt to meet the housing supply target, HA had compromised the housing construction quality. He requested the Administration to provide information on its response/follow-up actions regarding the matter. STH and DDH(D&C) advised that HA all along attached great importance to the construction quality and adopted a stringent mechanism in the checking and acceptance of completed works to ensure that works quality and building materials were in compliance with HA's requirements. STH undertook to provide information in light of the concern.

(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)741/20-21(01) on 26 March 2021.)

Use of existing public housing resources

61. Mr Tony TSE expressed concern about the average living space per person in public housing and whether the Administration/HA had not efficiently utilized public housing resources. He commented on the limited

Action

effectiveness of the HA's trial scheme to grant lifetime full rent exemption to under-occupation households, whose family members were all aged 70 or above, upon their transfer to smaller flats, and considered it important for the Administration/HA to set a target for the scheme and increase incentives to encourage transfers. STH replied that the trial scheme was one of the HA's initiatives to make good use of its existing limited resources and provide an alternative housing choice for its tenants. Up to November 2020, HA had received applications for the scheme from 290 households and of which, about 50 households had transferred to other PRH units.

Transport infrastructure and facilities to support public housing development

62. Ir Dr LO Wai-kwok opined that as many public housing units to be constructed in the next 10 years would be provided in various new development areas ("NDAs") in the New Territories, the Administration should plan and complete construction of transport infrastructure and facilities before developing these NDAs for public housing. In view of the slow progress in implementing the Railway Development Strategy 2014, he expressed concern that Northern Link and Kwu Tung Station, Hung Shui Kiu Station and Tung Chung Line Extension would be commissioned several years later than the resident-intake, and the Administration had yet to formulate concrete measures to ease the traffic loads of the external road networks in the New Territories, such as Tolo Highway.

63. STH replied that the Administration had all along strived to develop transport and ancillary facilities to cater for the land and housing developments over the territory. To cope with the external traffic demand between the New Territories East and the urban area, the Administration had taken forward projects to widen the section of Fanling Highway and Tolo Highway between Fanling and Tai Po to dual four-lane. Study of the proposed Trunk Road T4 which would provide a direct road link between Ma On Shan and urban districts was also underway. For the planning of large-scale transport infrastructure in the longer term, the Administration had commenced the "Strategic Studies on Railways and Major Roads beyond 2030". As regards public transport, the construction of Northern Link Phase 1 (i.e. Kwu Tung Station on the Lok Ma Chua Spur Line) might commence in 2023. Given that some public housing units would have been completed by the time when Kwu Tung Station was expected to be commissioned in 2027, the Administration would monitor the works progress with a view to completing the Northern Link Phase 1 project for providing services as soon as possible.

Action

64. Ir Dr LO Wai-kwok opined that the widening of Tolo Highway as mentioned by STH could not effectively enhance the road capacity, and the Administration should consider developing new road network to handle the traffic loads in the New Territories East. The Chairman opined that the Administration should relieve the traffic bottleneck at the Tolo Highway. His political affiliation all along considered it important for the Administration to put the infrastructure-led approach into practice and ensure timely provision of adequate infrastructure/supporting facilities. STH replied that the current-term Government would continue to adopt the infrastructure-led approach as part of the land supply strategy and accord priority to the provision of transport infrastructure when implementing land supply initiatives.

Motion

65. At 12:13 pm, the Chairman referred members to the following motion, which he considered relevant to the agenda item –

Motion moved by Mr KWOK Wai-keung and seconded by Ms Alice MAK –

"儘管政府已覓得 330 公頃土地興建未來 10 年的公營房屋單位，然而公營房屋供應仍然緊張，故本會促請當局進行以下工作，以確保公營房屋供應可達致《長遠房屋政策》的供應目標：

1. 優先處理 2025-26 年度及之後的公營房屋項目前期工作，以確保有關項目在規劃及設計階段的進度不延誤，甚至加快進度；
2. 盡快就 2025-26 年度及之後的公營房屋項目的土地改劃、基礎建設及社區規劃交予地區作諮詢以作優化，以免工程因地區反對而受到延誤；
3. 擴大市建局在公營房屋上角色，包括讓市建局發展更多資助房屋項目及考慮參與公屋重建，從而令公營房屋興建量增加，並加快市區更新；
4. 動用《收回土地條例》收回已規劃作高密度房屋發展，但仍未有確切發展計劃的土地以興建公營房屋；

Action

5. 制訂"輪候公屋重回 3 年上樓"時間表，以令公屋供應可配合實際輪候需要而提升興建量；及
6. 盡快就分拆運輸及房屋局作出具體部署，整合政府處理土地規劃及房屋供應的部門，從而提升政府內部的協作及效率，減少公屋供應延誤問題發生。"

(Translation)

"Although the Government has identified 330 hectares of land for providing public housing units in the next 10 years, the supply of public housing is still tight. Therefore, this Panel urges the authorities to undertake the following tasks to ensure that the supply of public housing can meet the supply target set out in the Long Term Housing Strategy:

1. according priority to the advance work for the public housing projects in 2025-26 and afterwards, so as to ensure that the progress of the planning and design stages of the relevant projects will not be delayed or will even be expedited;
2. regarding the public housing projects in 2025-26 and afterwards, expeditiously consulting the local community on land rezoning, infrastructure building and community planning, so as to make improvement and avoid delaying the works due to local objection;
3. expanding the role of the Urban Renewal Authority ("URA") in public housing, including allowing URA to develop more subsidized housing projects and consider participating in public housing redevelopment, so as to increase public housing production and expedite urban renewal;
4. invoking the Land Resumption Ordinance to resume land which have been planned for high density housing development but without any specific development plan for providing public housing;
5. formulating a timetable for reverting the waiting time for public housing to three years, so as to increase public housing production and as a result, public housing supply can meet the actual needs of people waiting for public housing; and

Action

6. expeditiously devising specific plans for splitting the Transport and Housing Bureau, as well as consolidating the government departments which are responsible for land planning and housing supply, so as to enhance collaboration and efficiency within the Government and reduce the occurrence of delay in the supply of public housing."

[At 12:15 pm, the Chairman instructed the Clerk to notify members of the counting of quorum.]

66. At 12:28 pm, the Chairman put to the vote the motion moved by Mr KWOK Wai-keung. 3 members voted in favour of the motion, no member voted against and a member abstained from voting. The Chairman declared that the motion was carried.

(Post-meeting note: The wording of the motion passed was issued to members vide LC Paper No. CB(1)494/20-21(04) on 18 January 2021. The Administration's response to the motion was circulated to members vide LC Paper No. CB(1)741/20-21(01) on 26 March 2021.)

VI. Any other business

67. There being no other business, the meeting ended at 12:30 pm.

Council Business Division 1
Legislative Council Secretariat
18 June 2021